

IN THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY, PENNSYLVANIA

THE COCORICO CORP. D/B/A
ROUND CORNER CANTINA
3720 Butler Street
Pittsburgh, PA 15201,

Plaintiff,

vs.

MOTORISTS COMMERCIAL MUTUAL
INSURANCE COMPANY
471 East Broad Street
Columbus, OH 43215-3861,

Defendant.

CIVIL DIVISION

No.: **GD 20 6548**

**CIVIL ACTION-COMPLAINT SEEKING
DECLARATORY RELIEF**

Counsel of Record for Plaintiff:

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CIVIL/FAMILY DIVISION
ALLEGHENY COUNTY PA

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IN THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY, PENNSYLVANIA

THE COCORICO CORP. D/B/A
ROUND CORNER CANTINA
3720 Butler Street
Pittsburgh, PA 15201,

No. GD 20 6549

Plaintiff,

vs.

MOTORISTS COMMERCIAL
MUTUAL INSURANCE
COMPANY
471 East Broad Street
Columbus, OH 43215-3861,

Defendant.

**CIVIL ACTION – COMPLAINT SEEKING
DECLARATORY RELIEF**

Parties

1. Plaintiff, The Cocorico Corp. d/b/a Round Corner Cantina, (hereinafter “Cocorico”) is a corporation organized and existing under the Commonwealth of Pennsylvania, with its principal place of business located at 3720 Butler Street, Pittsburgh, Allegheny County, Pennsylvania 15201; as such, Plaintiff is a citizen of the Commonwealth of Pennsylvania and the County of Allegheny.

2. Plaintiff owns and operates Round Corner Cantina, a restaurant and bar in the Lawrenceville neighborhood of Pittsburgh.

3. Defendant, Motorists Commercial Mutual Insurance Company (hereinafter “Motorists”) is commercial mutual property and casualty insurance company with a principal place

of business at 471 East Broad Street, Columbus, Ohio, 43215-3861, and, being duly authorized, regularly and routinely conducts business in the Commonwealth of Pennsylvania.

4. The present action seeks declaratory relief as to a Motorists insurance policy, described in detail below, with respect solely to Pennsylvania state law for losses, damages, and expenses related to the COVID-19 pandemic.

5. Defendant, Motorists, regularly and routinely conducts business in Allegheny County, Pennsylvania.

Insurance Coverage

6. At all times material hereto, there existed, in full force and effect, a Business Owners policy (No. 5000059403) (“Motorists Policy”) issued by Defendant, Motorists, to Plaintiff, Cocorico, providing, *inter alia*, property, business, personal property, business income, extra expense, continuation, civil authority and additional coverages applicable to the losses, damages, and expenses claimed in this action. A true and correct copy of the Motorists Policy is attached hereto and marked as Exhibit “A”.

7. The Motorists Policy was in effect and provided coverage for the period October 31, 2019 to October 31, 2020.

8. The Motorists Policy is an “All Risks” policy which provides coverage for losses, damages, and expenses to the insured premises unless specifically excluded.

9. The Motorists Policy does not exclude the losses, damages, and expenses caused by the COVID-19 Pandemic.

10. The Motorists Policy provides coverage for the losses, damages, and expenses incurred Plaintiff, Cocorico, as a result of the COVID-19 pandemic and the actions of the government in response thereto.

11. This case involves purely an issue of Pennsylvania state law.

12. Plaintiff Cocorico's claims arise out of a Pandemic.

Coronavirus Pandemic

13. The Center for Disease Control and the World Health Organization has for years warned of the possibility of an airborne virus which could cause a worldwide pandemic.

14. Coronavirus COVID-19 is a highly contagious airborne virus which has rapidly spread and continues to spread across the United States.

15. COVID-19 has been declared a pandemic by the World Health Organization.

16. The COVID-19 virus remains stable and transmittable in aerosols and various surfaces for prolonged periods of time, up to two to three days on some surfaces.

17. The COVID-19 virus is a public health crisis that has profoundly affected all aspects of society, including the ability of the public to congregate and gather.

18. The COVID-19 pandemic has been exacerbated by the fact that the virus infects and stays on the surfaces of objects and materials for prolonged periods.

19. The Center for Disease Control has issued guidance that gatherings of more than ten (10) people should not occur; such gatherings increase the danger of contracting the COVID-19 virus.

20. On March 6, 2020, Governor Tom Wolf issued a Proclamation of Disaster Emergency as a result of the COVID-19 virus.

21. On March 19, 2020, Governor Tom Wolf issued an Order requiring all non-life sustaining businesses in the Commonwealth to cease operation and to close all physical locations.

20. On March 23, 2020, Governor Tom Wolf issued a Stay at Home Order for citizens of various counties including Allegheny County.

21. On March 23, 2020 the Pennsylvania Department of Health issued a similar Order noting that the “operation of non-life sustaining businesses present the opportunity for unnecessary gatherings, personal contact and interaction that will increase the risk of transmission and the risk of community spread of COVID-19.”

22. On April 1, 2020, Governor Tom Wolf extended the March 23, 2020 Stay at Home Order to the entire Commonwealth of Pennsylvania.

23. The COVID-19 virus, as evidenced by these Orders, causes damage to property, particularly in places of business, such as that of Plaintiff, Cocorico, and other similarly situated persons and organizations, where the operation of the business requires inter-action, gatherings and contact in areas where there exists a heightened risk of contamination by the COVID-19 virus.

Impact of COVID-19 Pandemic

24. As a result of the impact of the COVID-19 pandemic and the referenced Orders of the Governor, Plaintiff, Cobra, has sustained partial loss of use of its premises, was forced stop all seated and eat-in food service as of March 19, 2020 and takeout and delivery service as of March 29, 2020, has seen a total cessation of its business, and has been forced to furlough employees, thereby incurring losses, damages, and expenses.

25. As a result of the impact of the COVID-19 pandemic and the referenced Orders of the Governor, many similarly situated businesses have been ordered to close, thereby incurring losses, damages, and expenses similar to Plaintiff.

26. The business of Plaintiff, Cocorico, like many businesses, operates in “closed environment” where many persons, including employees and customers, cycle in and out thereby creating a risk of contamination to the insured premises.

27. As a result of the COVID-19 pandemic, the business of Plaintiff, Cocorico, like other similarly situated businesses, is susceptible to person to person, person to property, and property to person transmittal and contamination.

28. The COVID-19 pandemic has directly and adversely affected the business operations of Plaintiff, Cocorico, by causing damage and the risk of further harm to the property and its occupants.

29. Plaintiff, Cocorico, has suffered Business Income, Civil Authority and other related losses, damages, and expenses which are covered by policies of insurance issued by the Defendant, Motorists.

Claim for Recovery

30. Plaintiff, Cocorico, has made claim upon Defendant, Motorists, for recovery of losses, damages, and expenses caused by the COVID-19 pandemic and the referenced Orders.

31. Plaintiff, Cocorico, is entitled to a declaration that it is covered under the Motorists Policy for, *inter alia*, business income, extra expense, contamination, civil authority and other coverages under the Motorists Policy.

32. Defendant, Motorists, has wrongfully denied the claims Plaintiff, Cocorico, for recovery of damages caused by the COVID-19 pandemic and referenced Orders. See Denial Letter at Exhibit “B.”

33. Plaintiff, Cocorico, is entitled to a declaration that the policies of insurance issued by Defendant, Motorists, provide coverage for the losses, damages, and expenses caused by the COVID-19 pandemic and referenced Orders.

34. Plaintiff, Cocorico, is entitled to an Order enjoining Defendant, Motorists, from denying coverage to insureds for business income, extra expense, contamination, civil authority and other coverages for losses, damages, and expenses caused by the COVID-19 pandemic and referenced Orders.

COUNT I
(Declaratory Relief – Individual Claims)

35. Plaintiff, Cocorico, hereby incorporates by reference the foregoing Paragraphs 1 through 34 of this Complaint as though same were fully set forth herein.

36. Plaintiff, Cocorico, is entitled to coverage under the Motorists Policy for the losses, damages, and expenses caused by the COVID-19 pandemic and referenced Orders.

37. Defendant, Motorists, has denied and/or refused to acknowledge coverage for the losses, damages, and expenses of Plaintiff, Cocorico, caused by the COVID-19 pandemic and the referenced Orders.

38. Plaintiff, Cocorico, is entitled to recover for losses, damages, and expenses covered by the COVID-19 pandemic and the referenced Orders under the Motorists Policy.

39. Defendant, Motorists, has wrongfully refused to provide coverage to Plaintiff, Cocorico, under the Motorists Policy.

40. The denial and refusal to acknowledge coverage to Plaintiff, Cocorico, under the Motorists Policy is a material breach of that policy.

41. The denial and refusal to acknowledge coverage to Plaintiff, Cocorico, under the Motorists Policy is in direct violation of the specific terms and provisions of the Motorists Policy.

42. Plaintiff, Cocorico, is entitled to a declaration that it is entitled to coverage for losses, damages, and expenses caused by the COVID-19 pandemic and the referenced Orders.

43. The controversy poses an issue for judicial determination under the Declaratory Judgment Act.

44. The controversy involves substantial rights of the parties to the action.

45. The controversy poses an issue for judicial determination which is not within the scope of authority of any arbitrator or arbitration panel pursuant to the policy of insurance in question.

46. A judgment of this court in this action will also be useful for the purpose of clarifying and settling the legal relations at issue between the parties.

47. A judgment of this court will determine, terminate and afford relief from the uncertainty and controversy giving rise to this action.

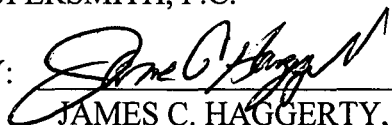
WHEREFORE, Plaintiff, The Cocorico Corp. d/b/a Round Corner Cantina, respectfully requests that the Court enter an Order:

- (a) declaring that Plaintiff, The Cocorico Corp. d/b/a Round Corner Cantina is entitled to coverage for losses, damages, and expenses caused by the COVID-19 pandemic and the referenced Orders from Defendants, Motorists Commercial Mutual Insurance Company; and
- (b) such other relief as the court deems appropriate.

Respectfully Submitted:

HAGGERTY, GOLDBERG, SCHLEIFER &
KUPERSMITH, P.C.

BY:



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BY:



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JACK GOODRICH & ASSOCIATES

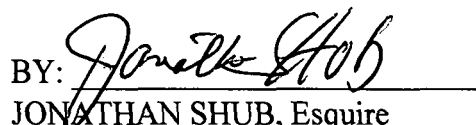
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KOHN SWIFT

BY:



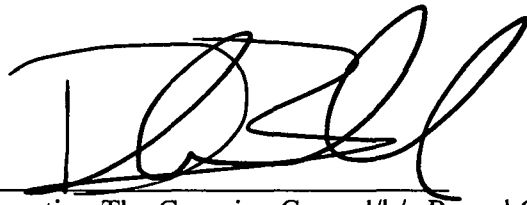
JONATHAN SHUB, Esquire
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(215) 238-1700

Attorneys for Plaintiffs

VERIFICATION

I, Derek Burnell, as representative of The Cocorico Corp. d/b/a Round Corner Cantina, state that the facts set forth in the Complaint are true and correct to the best of my knowledge, information and belief. I understand that the statements are made subject to the penalties of 18 Pa.C.S.A. §4904 relating to unsworn falsification to authorities.

DATE: 5/1

BY: 
Representing The Cocorico Corp. d/b/a Round Corner
Cantina

THE COCORICO CORP DBA ROUND CORNER CANTINA
3720 BUTLER ST
PITTSBURGH, PA 15201-1837

NEW BUSINESS

The Cocorico Corp dba Round Corner Cantina - 5000059403



PRODU

tabbles
**PLAINTIFF'S
EXHIBIT**
A

INSTRUCTIONS FOR REPORTING A CLAIM

Thank you for being a Motorists Insurance policyholder. To report a claim, please call our Claims Center at:

866-637-8686

Calling our claims center is the easiest and most efficient way to report a claim. You can also contact us via the following methods:

Fax: 866-907-6670

E-mail: claims@motoristsinsurance.com

Web: www.motoristsinsurancegroup.com

Motorists Insurance Claims

P.O. Box 182028

Columbus, OH 43218-2028

COMMON POLICY DECLARATIONS

Policy Number: 5000059403	New Business
Named Insured and Mailing Address: The Cocorico Corp dba Round Corner Cantina 3720 BUTLER ST PITTSBURGH, PA 15201-1837	Producer Name and Address: KMRD Partners Inc 2600 Kelly Rd Ste 120 Warrington, PA 18976-3652 Telephone: (267) 482-8390
Policy Period	
From: 10/31/2019	
To: 10/31/2020	At 12:01 AM* Standard Time at your mailing address shown above.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

Description Of Business
Form Of Business: CORPORATION
Business Description: Upscale Mexican Restaurant

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.	
Coverage Parts	Premium
COMMERCIAL GENERAL LIABILITY COVERAGE PART	_____
COMMERCIAL PROPERTY COVERAGE PART	_____
TAX OR OTHER (IF APPLICABLE)	_____
TOTAL:	\$8,012.00

FORMS APPLICABLE TO ALL COVERAGE PARTS
See Schedule of Forms and Endorsements



Member of Motorists Insurance Group

Countersigned: (Date)	By: (Authorized Representative)
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NOTE

OFFICERS' FACSIMILE SIGNATURES MAY BE INSERTED HERE, ON THE POLICY COVER OR ELSEWHERE AT THE COMPANY'S OPTION.

SCHEDULE OF PREMISES

Premises Number	Address	County	Protection Class	Building Details (If Applicable)
				Building Number - Description
1	3720 BUTLER ST, PITTSBURGH, PA 15201-1837	ALLEGHENY	01	1 - Restaurant

SCHEDULE OF NAMED INSUREDS

Named Insureds	First Named Insured	FEIN
The Cocorico Corp dba Round Corner Cantina	X	22-2222222

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

- A. Under any Liability Coverage, to "bodily injury" or "property damage":**
- (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.**

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
 - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
 - (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.
- 2. As used in this endorsement:**
- "Hazardous properties" includes radioactive, toxic or explosive properties.
- "Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EFFECTIVE TIME CHANGES –
REPLACEMENT OF 12 NOON**

This endorsement modifies the COMMON POLICY DECLARATIONS.

To the extent that coverage in this policy replaces coverage in other policies terminating noon standard time on the inception date of this policy, coverage under this policy shall not become effective until such other coverage has terminated.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES – DEFENSE COSTS

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART – LEGAL LIABILITY COVERAGE FORM
 COMMERCIAL PROPERTY COVERAGE PART – MORTGAGEHOLDER'S ERRORS AND OMISSIONS COVERAGE FORM
 ELECTRONIC DATA LIABILITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 FARM COVERAGE PART
 FARM UMBRELLA LIABILITY POLICY
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCT WITHDRAWAL COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
 RAILROAD PROTECTIVE LIABILITY COVERAGE PART
 UNDERGROUND STORAGE TANK COVERAGE PART

A. The provisions of Paragraph **B.** are added to all Insuring Agreements that set forth a duty to defend under:

1. Section I of the Commercial General Liability, Commercial Liability Umbrella, Electronic Data Liability, Employment-related Practices Liability, Farm, Liquor Liability, Medical Professional Liability, Owners And Contractors Protective Liability, Pollution Liability, Product Withdrawal, Products/Completed Operations Liability, Railroad Protective Liability and Underground Storage Tank Coverage Parts, Auto Dealers Coverage Form and the Farm Umbrella Liability Policy;
2. Section II under the Auto Dealers, Business Auto and Motor Carrier Coverage Forms;
3. Section III under the Auto Dealers and Motor Carrier Coverage Forms;
4. Section A. Coverage under the Legal Liability Coverage Form; and

5. Coverage C – Mortgageholder's Liability under the Mortgageholder's Errors And Omissions Coverage Form.

Paragraph **B.** also applies to any other provision in the policy that sets forth a duty to defend.

B. If we initially defend an insured ("insured") or pay for an insured's ("insured's") defense but later determine that none of the claims ("claims"), for which we provided a defense or defense costs, are covered under this insurance, we have the right to reimbursement for the defense costs we have incurred.

The right to reimbursement under this provision will only apply to the costs we have incurred after we notify you in writing that there may not be coverage and that we are reserving our rights to terminate the defense or the payment of defense costs and to seek reimbursement for defense costs.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
 - a.** Any of the following, whether belonging to any insured or to others:
 - (1) Computer hardware, including micro-processors;
 - (2) Computer application software;
 - (3) Computer operating systems and related software;
 - (4) Computer networks;
 - (5) Microprocessors (computer chips) not part of any computer system; or
 - (6) Any other computerized or electronic equipment or components; or
 - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
 - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
 - 2.** Under the Commercial Property Coverage Part:
 - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or
 - b.** In a Covered Cause of Loss under the Causes Of Loss – Basic Form or the Causes Of Loss – Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL, CHEMICAL OR RADIOLOGICAL TERRORISM; CAP ON COVERED CERTIFIED ACTS LOSSES

This endorsement modifies insurance provided under the following:

- BOILER AND MACHINERY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- CRIME AND FIDELITY COVERAGE PART
- EQUIPMENT BREAKDOWN COVERAGE PART
- FARM COVERAGE PART
- STANDARD PROPERTY POLICY

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph C) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part Or Policy
Maine, Missouri, Virginia, Wisconsin	Commercial Inland Marine
Maine, Missouri, Massachusetts, Rhode Island, Virginia, Wisconsin, West Virginia	Commercial Property

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

B. The following exclusion is added:

LIMITED EXCLUSION OF CERTIFIED ACTS OF TERRORISM

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But this exclusion applies only when one or more of the following are attributed to such act:

1. The terrorism is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the terrorism was to release such material; or
3. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical material; or
4. Pathogenic or poisonous biological or chemical material is released, and it appears that one purpose of the terrorism was to release such material.

When this terrorism exclusion applies in accordance with the terms of Paragraph **B.1.** or **B.2.**, the terrorism exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Part or Policy.

C. Exception Covering Certain Fire Losses

The following exception to the exclusion in Paragraph **B.** applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" excluded under Paragraph **B.** results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

D. Cap On Certified Terrorism Losses

The following limitation applies to coverage for any one or more "certified acts of terrorism" that are not excluded by the terms of the exclusion in Paragraph **B.** and to any loss or damage that is covered and to which the exception in Paragraph **C.** applies:

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

This Paragraph, **D.**, does not apply to insurance provided under the Crime And Fidelity Coverage Part.

E. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the non-applicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the War And Military Action Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
ELECTRONIC DATA LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCT WITHDRAWAL COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
RAILROAD PROTECTIVE COVERAGE PART
UNDERGROUND STORAGE TANK COVERAGE PART

This policy does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of, resulting from, caused or contributed to by asbestos or the actual alleged or threatened exposure to asbestos;
2. The costs of abatement, mitigation, removal or disposal of asbestos; or
3. Any damages or any loss, cost or expense arising out of any (i) claim or "suit" by or on behalf of any governmental authority or any other alleged responsible party because of, or (ii) request, demand order or statutory or regulatory requirement that any insured or any other person or entity should be, or should be responsible for:
 - a. Assessing the presence, absence, amount or effects of asbestos;
 - b. Identifying, sampling or testing for, detecting, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, abating, disposing of or mitigating asbestos; or
 - c. Responding to asbestos in any way other than as described in 3.a. and 3.b. above; and

This exclusion also includes:

1. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above; or
2. Any obligation to share damages with or repay someone else who must pay damages because of, but not limited to, such injury or damage.

This exclusion shall apply to liability for any coverage excluded above which the insured has agreed to accept or assume under any contract or for which the insured has agreed to provide insurance.

All other terms and conditions remain unchanged.

**THIS ENDORSEMENT PROVIDES INDEPENDENT COVERAGES, TERMS, AND DEFINITIONS.
PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

- AUTO DEALERS COVERAGE FORM
- BUSINESSOWNERS COVERAGE FORM
- COMMERCIAL GENERAL LIABILITY COVERAGE FORM

THE ENDORSEMENT'S AGGREGATE LIMIT OF LIABILITY WILL BE REDUCED AND MAY BE EXHAUSTED BY PAYMENT OF DAMAGES, CLAIM EXPENSES, PRIVACY BREACH EXPENSES AND BUSINESS INCOME LOSS AND EXTRA EXPENSES.

Various provisions in this Endorsement restrict coverage. Read the entire Endorsement carefully to determine rights what is and what is not covered, in addition to rights and duties.

Throughout this Endorsement the words in **bold** are defined terms within "Section II, Definitions" section of this Endorsement. Throughout this Endorsement, the words "**you**" and "**your**" refer to the **Insured** and the words "**we,**" "**us,**" and "**our**" refer to the Company providing this insurance as defined in "Section II, Definitions

Schedule of Coverage	Limit of Insurance/ Sublimit of Insurance
A. Third Party Cyber Liability Coverage	\$ 10,000
Sublimit for all PCI Fines which is part of and not in addition to the Third Party Cyber Liability Coverage Limit.	\$ 25,000
B. Regulatory Proceeding Coverage	\$ 25,000
Sublimit for all Regulatory Fines which is part of and not in addition to the Regulatory Proceeding Coverage Limit.	\$ 25,000
C. First Party Privacy Breach Expense Coverage	\$ 25,000
Sublimit for all Extortion Threat Expenses for each Extortion Threat which is part of and not in addition to the First Party Privacy Breach Expense Coverage Limit.	\$ 25,000
Sublimit for all Data Replacement and System Restoration Expenses for each System Compromise which is part of and not in addition to the First Party Privacy Breach Expense Coverage Limit.	\$ 5,000
D. First Party Business Interruption Coverage Aggregate	No Coverage
E. Cyber Coverage Aggregate	\$ 10,000
Cyber Coverage Aggregate Deductible	\$ 1,000
First Party Business Interruption Aggregate Deductible	N/A HOURS
Endorsement Premium	\$ 44
Endorsement Period: From <u>10/31/2019</u> to <u>10/31/2020</u>	
At 12:01 A.M. Standard Time at the address of the Named Insured as stated herein	

SECTION I – COVERAGES

A. INSURING AGREEMENTS

1. Third Party Cyber Liability Coverage:

We will pay on your behalf those **Damages** and **Claim Expenses** you become legally obligated to pay resulting from any **Claim**, provided such **Claim** is first discovered by you during the **Endorsement Period** or within thirty (30) days after the end of the **Endorsement Period** if this Endorsement is not renewed and is reported to us in accordance with "Section V. CONDITIONS C.", for any:

- a. **Media Wrongful Act;**
- b. **Network Security Wrongful Act;**
- c. **Privacy Wrongful Act;**
- d. **PCI Fines.**

2. Regulatory Proceeding Coverage:

We will pay on your behalf those **Claim Expenses** and **Regulatory Fines** you become legally obligated to pay resulting from any **Regulatory Proceeding** for a **Privacy Wrongful Act**, provided such **Regulatory Proceeding** is first discovered by you during the **Endorsement Period** or within thirty (30) days after the end of the **Endorsement Period** if this Endorsement is not renewed and is reported to us in accordance with "Section V. CONDITIONS C."

3. First Party Privacy Breach Expense Coverage:

We will pay the **Named Insured** those **Privacy Breach Expenses** directly incurred in responding to a **Privacy Breach Event, System Compromise** or **Extortion Threat**, provided such **Privacy Breach Event, System Compromise** or **Extortion Threat** is first discovered by you during the **Endorsement Period** or within thirty (30) days after the end of the **Endorsement Period** if this Endorsement is not renewed and is reported to us in accordance with "Section V. CONDITIONS C."

4. First Party Business Interruption Coverage:

We will pay the **Named Insured** for the **Business Income Loss** and **Extra Expense** the **Named Insured** sustained during a **Reconstruction Period** directly caused by a **Network Disruption** to the **Named Insured's Computer System**, provided such **Network Disruption** is first discovered by you during the **Endorsement Period** or within thirty (30) days after the end of the **Endorsement Period** if this Endorsement is not renewed and is reported to us in accordance with "Section V. CONDITIONS C."

B. Our Rights and Duties in the Event of Claims

We have the right and duty to defend, and pay on your behalf any **Claim Expenses** resulting from, any **Claim** to which this insurance applies, even if the allegations are groundless, false, or fraudulent. We have the right to investigate, direct the defense and/or settle any **Claim** as we deem expedient. Our duty ends when the Endorsement's applicable Limit of Insurance has been exhausted by our payment of **Damages, Claim Expenses, Regulatory Fines, Privacy Breach Expenses** or **Business Income Loss** and **Extra Expense** or we have deposited the Endorsement's remaining applicable Limit of Insurance with a court of competent jurisdiction. We have no obligation or duty to defend any **Claim** or pay any **Claims Expenses** for which coverage is excluded or not otherwise afforded by the Endorsement.

SECTION II – DEFINITIONS

- A. **Attack** means any unauthorized intrusion or denial of service, including any **Malicious Code** or variant thereof, **Network Disruption, System Compromise, Unauthorized Access** or **Unauthorized Use** into the **Named Insured's Computer System**.
- B. **Business Income Loss** means net profit the **Named Insured** would have earned before taxes during the **Reconstruction Period**, in excess of the **Waiting Period Deductible** indicated in the Schedule, if no **Network Disruption** taken place. **Business Income Loss** shall not include any contractual penalties.
- C. **Claim** means:
 1. A written demand or assertion of a legal right for money or services received by you for a **Wrongful Act**, including service upon you of a lawsuit or arbitration proceeding seeking injunctive relief for a **Wrongful Act**;

2. A PCI Fine Assessment against the Named Insured.

A **Claim** does not include a **Regulatory Proceeding**.

D. Claim Expenses means with respect to any **Claim** or **Regulatory Proceeding**:

- 1-1. Reasonable and necessary fees, costs and expenses charged by any lawyer or other vendor designated or approved in writing by us directly resulting from the investigation, adjustment, settlement and/or defense of such **Claim** or **Regulatory Proceeding**;
- 1-2. Reasonable and necessary expenses charged by a vendor designated or approved in writing by us to investigate an **Unauthorized Access or Unauthorized Use of the Named Insured's Computer System** to determine how **Protected Information** was accessed;
- 1-3. All interest on the full amount of any covered judgment that accrues after entry of the judgment and before we have paid, offered to pay, or have deposited into a court of competent jurisdiction that part of the judgment which is within the remaining applicable Limits of Insurance; and
- 1-4. The premiums for appeal, attachment, or similar bonds, but only for bond amounts within the applicable Limits of Insurance. **We** do not have to furnish these bonds.

Claim Expenses do not include:

- 2-1. Fees, costs or expenses in responding to a **PCI Fine Assessment**;
- 2-2. Salaries, wages, fees, remuneration, overhead, benefits or expenses of our or your employees or officials;
- 2-3. Fees, costs, or expenses incurred prior to the time that a **Claim** or **Regulatory Proceeding** is reported to us or paid or incurred without our prior written consent, and such unilaterally incurred fees, costs or expenses shall not reduce any deductible under the Endorsement;
- 2-4. Costs to inspect, investigate, withdraw, alter, recall, reprocess, restore, replace, retract, amend, reprint, reproduce, remediate, correct, enhance, upgrade or modify **Electronic Media**;
- 2-5. Costs and expenses to comply with any injunctive or other non-monetary equitable, declaratory, regulatory or administrative relief, including specific performance, or any agreement to provide such relief;
- 2-6. Costs or expenses incurred to prevent future **Unauthorized Access or Unauthorized Use of the Named Insured's Computer System**;
- 2-7. Any fines or penalties assessed as a result of a **Regulatory Proceeding**.

E. Computer System means any electronic device, electronic and paper storage media as well as any communications networks owned or operated exclusively for the benefit of a single owner. **Computer System** includes outsourced Cloud based storage.

F. Damages means any monetary amount which you become legally obligated to pay as the result of a **Claim**, including judgments, awards, damages, settlements to which we have consented in writing, prejudgment and post-judgment interest awarded which directly arise from and correspond to the portion of any judgment attributable to a covered **Claim**.

Damages do not include:

1. Any amount for which the **Insured** is not liable or legally obligated to pay;

2. Punitive and exemplary damages, liquidated damages, taxes, fines or penalties, or any multiples thereof, other than **PCI Fines**;
 3. Matters uninsurable under the law applicable to this Endorsement;
 4. Past, present and future earned and unearned royalties, profits, fees, costs, expenses, commissions, or the return of royalties, profits, fees, costs, expenses, commissions, and profits unjustly held or obtained;
 5. Costs and expenses required to comply with any injunctive or other non-monetary equitable, declaratory, regulatory or administrative relief, including specific performance, or any agreement to provide such relief;
 6. Discounts, prizes, awards, coupons, or other incentives offered to the **Named Insured's** clients or customers.
- G. Electronic Media** means audio, digital, informational or visual material in electronic form transmitted over the Internet or other computer media; provided, however, **Electronic Media** does not include:
1. Material in print or in any form other than that transmitted electronically over the Internet or other computer media;
 2. Scripts or films for theatrical release, radio or television programming, or books, manuals or other content on disk, e-reader, tablet or similar device.
- H. Endorsement Period** means the period from the inception date stated in the Endorsement Schedule to the expiration date stated in the Endorsement Schedule, or its earlier cancellation date, if any.
- I. Exploit** means an **Attack** designed to find, create, or take advantage of vulnerabilities in a **Computer System**.
- J. Extortion Threat** means a credible threat or series of credible threats by a third party who is not an **Insured** to cause a **Privacy Breach Event**, or to cause or perpetuate a **Network Disruption** such as through ransomware, unless a money demand is paid by the **insured**. An **Extortion Threat** is first discovered by an **Insured** when it is first received by the **Insured**.
- K. Extra Expenses** means reasonable and necessary expenses the **Named Insured** incurs after a **Network Disruption** to reduce the **Named Insured's Business Income Loss** and to resume its normal operations.
- Extra Expenses** do not include:
1. Any contractual penalties;
 2. Any costs to update or upgrade the **Named Insured's Computer System** to a level beyond that which existed prior to the **Network Disruption**.
- L. Insured** means:
1. All entities identified in the policy Declarations (all of which are referred to as the "**Named Insured**");
 2. Employees (not including volunteer workers or independent contractors), principals, partners, executive officers or directors of the **Named Insured**, but solely while acting within their capacity and the scope of their duties for or on behalf of the **Named Insured**;
 3. In the event of death, incapacity, bankruptcy or insolvency of any person identified in sub-paragraph "2" above, such person's heirs, estate, executors, administrators and legal representative in his or her capacity as such.
- M. Malicious Code** means an unauthorized, unwanted, or harmful program, code, or script, including, but not limited to, any virus, Trojan horse, worm, time, logic bomb, spyware, and malware or spider ware.
- N. Media Wrongful Act** means any of the following actual or alleged unintentional and unknowing conduct by **you** directly relating to, in connection with or arising from the creation of **Electronic Media** which advertises or promotes the **Named Insured's** products or services:
1. Libel, slander or other defamation;
 2. Invasion or infringement of an individual's right to privacy or publicity;
 3. Disparaging a person's or organization's goods, products or services;
 4. Infringement of copyright, plagiarism or misappropriation of ideas; or
 5. Infringement of trademark, title, slogan, trade name, trade dress, service mark or service name.
- O. Named Malicious Code** means an **Attack** caused by a **Malicious Code** or variant thereof that is identified or assigned a name by any United States government entity or a computer security or forensics entity, or anti-virus software vendor, including but not limited to Crowd Strike, Juniper Networks, Mandiant/FireEye, McAfee, Palo Alto Networks, RSA, Seculert/Radware, Symantec, or Verizon.

- P. Network Disruption** means a measurable interruption, failure, suspension, or delay in the performance of the **Named Insured's Computer System** directly caused by **your** unintentional failure to prevent an **Unauthorized Access or Unauthorized Use** of, the introduction of **Malicious Code** into, or a denial of service attack upon, such **Computer System**.
- Q. Network Security Wrongful Act** means **your** unintentional and unknowing failure to prevent an **Unauthorized Access or Unauthorized Use** of the **Named Insured's Computer System** that directly results in:
1. The inability of an **Insured** or authorized third party user to access the **Named Insured's Computer System**;
 2. The inability of an authorized third party user to access its computer system or network;
 3. The failure or corruption of a third party's computer system or network;
 4. **Your** transmittal or distribution of **Malicious Code** to a third party's computer system or network;
 5. The perpetuation of a denial of service attack on a third party's computer system or network.
- R. PCI Fine Assessment** means the assessment of or threat to assess **PCI Fines** by any bank or a payment card association due to the **Named Insured's** violation of any Payment Card Industry Data Security Standards. A **PCI Fine Assessment** is first discovered by the **Named Insured** when **you** first discovered the directly related **Privacy Breach Event** out of which the **PCI Fine Assessment** arises.
- S. PCI Fines** means all fines the **Named Insured** is obligated under contract to pay to its acquiring bank or a payment card association due to the **Named Insured's** violation of any Payment Card Industry Data Security Standards that were in effect when **you** first discovered the directly related **Privacy Breach Event**.
- T. Privacy Breach Event** means the theft or unauthorized disclosure of **Protected Information** due to the **Insured's** unintentional failure to safeguard such **Protected Information**.
- U. Privacy Breach Expenses** mean the following amounts, if reasonable and necessary and directly incurred by or for the **Named Insured** in responding to a **Privacy Breach Event** or **System Compromise** or, solely with respect to an **Extortion Threat**, a **Network Disruption**:
1. **Notification Expenses:**
Notification fees and expenses charged by a vendor designated or approved in writing by **us** to notify a **Protected Person** of an **Unauthorized Access or Unauthorized Use** of his or her **Protected Information**, pursuant to applicable **Privacy Law** requirements or to minimize **Damages** otherwise covered under this Endorsement;
 2. **Monitoring Expenses:**
Fees and expenses charged by a vendor designated or approved in writing by **us** to provide monitoring, identity theft, or fraud resolution services to a **Protected Person** affected by a **Privacy Breach Event**, pursuant to applicable **Privacy Law** requirements or to minimize **Damages** otherwise covered under this Endorsement;
 3. **Extortion Threat Expenses:**
Expenses, ransom money including interest on any loan necessary to pay a ransom or reward money paid to any informant, if approved in writing by **us** to prevent or mitigate an **Extortion Threat**;
 4. **Data Replacement Expenses:**
The reasonable and necessary fees, costs and expenses charged by a vendor designated or approved in writing by **us** to research, re-create or replace, from written records or partially or fully matching electronic data, any electronic data on the **Named Insured's Computer** damaged by a **System Compromise**;
 5. **System Restoration Expenses:**
The reasonable and necessary fees and costs of a professional services firm **we** approve to restore the **Named Insured's Computer System**, if damaged by a **System Compromise**, to its operating performance immediately before the **System Compromise**, including costs to reinstall or replace software and remove **Malicious Code**;
 6. **Cyber Investigation Expenses:**
Fees and expenses charged by a vendor designated or approved in writing by **us** to investigate the **Unauthorized Access or Unauthorized Use** of the **Named Insured's Computer System** from which **Protected Information** has been accessed in order to determine whether the **Named Insured** has an obligation to provide notice under **Privacy Law**; and
 7. **Crisis Management Expenses:**

- a. Fees and expenses charged by a public relations firm, law firm or crisis management firm to perform crisis management services to minimize the potential harm to the **Named Insured's** business from a **Privacy Breach Event**; and
- b. Fees and expenses charged by a call center designated or approved in writing by us to provide assistance managing incoming calls in high volume **Privacy Breach Events**.

Privacy Breach Expenses shall not include:

1. Salaries, wages, fees, remuneration, overhead, benefits or expenses of **our** or **your** employees or officials;
 2. Fees, costs or expenses to restore, replace, remediate, repair, correct, enhance, upgrade or otherwise modify, improve or make changes to the **Named Insured's Computer System** following or as a result of an actual or attempted **Unauthorized Access or Unauthorized Use or Privacy Breach Event**, including fees, costs or expenses to prevent a future **Unauthorized Access or Unauthorized Use or Privacy Breach Event**.
- V. **Privacy Law** means any law or regulation applicable to persons and organizations who lawfully and permissibly obtain or possess a **Protected Person's Protected Information** requiring the posting of privacy policies, the adoption of specific privacy or security controls, or the notification of **Protected Persons** in the event their **Protected Information** has potentially been accessed or disclosed without authorization.
- W. **Privacy Wrongful Act** means the following unintentional conduct resulting from **your** unintentional failure to safeguard **Protected Information** in the **Named Insured's** possession in the normal course of business:
1. **Your** actual or alleged violation of a **Privacy Law**; or
 2. **Your** actual or alleged invasion or infringement of an individual's right to privacy or publicity.
- X. **Protected Information** is defined as any personal information of an individual as defined in **Privacy Law**.
- Y. **Protected Person** means a person whose **Protected Information** is protected from unauthorized disclosure or access by a **Privacy Law**.
- Z. **Reconstruction Period** means the period of time:
1. After the application of the waiting period deductible stated in the Schedule;
 2. Immediately following a **Network Disruption**; and
 3. Ending at the earlier of 120 days after the time that the **Named Insured's Computer System** was first interrupted by the **Network Disruption** or the resumption of the **Named Insured's** operations to substantially the same level that existed had the **Network Disruption** never taken place provided, however, that the **Named Insured** must make every effort to resume all or part of its operations as quickly as possible.
- AA **Regulatory Fines** means any fines or penalties assessed against a **Named Insured** as a result of a **Regulatory Proceeding**, provided such fines or penalties are insurable under the applicable law most favoring coverage for such fines or penalties.
- BB **Regulatory Proceeding** means a formal request to **you** for documentation made by, or an investigation or civil proceeding brought by, a regulatory body or regulator directly arising from **your** actual or alleged unintentional breach or violation of a **Privacy Law**.
- CC **Related Claims** means **Claims** based upon, arising from, in consequence of, directly or indirectly resulting from, or involving in any way continuous, repeated, the same, related, or substantially similar facts, circumstances, subjects, situations, decisions, cause, persons, transactions, events, class of persons or events, or continuous, repeated, the same, related, or a substantially similar series of facts, circumstances, subjects, situations, decisions, persons, transactions, class of persons or events.
- DD **Related Events** means **Privacy Breach Events, System Compromises or Extortion Threats** based upon, arising from, in consequence of, directly or indirectly resulting from, or involving in any way continuous, repeated, the same, related, or substantially similar facts, circumstances, subjects, situations, decisions, cause, persons, transactions, event, class of persons or events, or continuous, repeated, the same, related, or a substantially similar series of facts, circumstances, subjects, situations, decisions, persons, transactions, class of persons or events.
- EE **System Compromise** means any **Unauthorized Access or Unauthorized Use** of the **Named Insured's Computer System** that materially degraded or damaged the performance of the **Named Insured's Computer System** or corrupted or destroyed any electronic data in the **Named Insured's Computer System**.
- FF **Unauthorized Access or Unauthorized Use** means:

1. Access to or use of the **Named Insured's Computer System** by a person or organization not authorized to do so, or the access to or use of the **Named Insured's Computer System** by an authorized person in an unauthorized manner.
2. A **Malware Attack** or unauthorized intrusion which results in access to or use of the **Named Insured's Computer System**.

GGWrongful Act means a **Media Wrongful Act, Network Security Wrongful Act, or Privacy Wrongful Act.**

SECTION III – EXCLUSIONS

- A. We shall not be liable to pay, indemnify or reimburse **Damages or Claim Expenses or Regulatory Fines** from any **Claim or Regulatory Proceeding**, or any **Privacy Breach Expenses, Business Income Loss or Extra Expenses**, based on, resulting from or arising out of:
1. Any actual or alleged direct creation of **Malicious Code** by you.
 2. Any **Attack** into or of the **Named Insured's Computer System** unless such attack is determined to be an **Exploit** unique to the **Named Insured's Computer System** and specifically-targeted-at-and-specifically directed against the **Named Insured**.
 3. **Named Malicious Code**.
 4. The unsolicited dissemination of any communication to actual or prospective customers of the **Insured** or any third party, or any actual or alleged violation of the Telecommunications Act, the CAN-SPAM Act, or any other federal, state or local legislation, regulation or law protecting a person's or entity's right of seclusion or privacy.
 5. Any seizure, nationalization, confiscation, destruction, deletion or expropriation of any **Protected Information** or any **Computer System** held or used by you by order of any governmental authority.
 6. Any costs or expenses incurred by you or others to inspect, investigate, withdraw, alter, recall, reprocess, restore, replace, retract, amend, reprint, reproduce, remediate, correct, enhance, upgrade or otherwise modify any product, service or media of or for you, or any part of any such product, service or media. However, this exclusion shall not apply to any **Data Replacement Expenses or System Restoration Expenses** that constitute **Privacy Breach Expenses**, if the **Data Replacement Expenses or System Restoration Expenses** otherwise are covered.
 7. Any actual or alleged unlawful or unauthorized obtaining, gathering, collecting, acquiring, using, distribution or sale by you of any information of any type, nature, or kind, including **Protected Information**.
 8. Any actual or alleged:
 - a. Dishonest, fraudulent, criminal or malicious act, error or omission by you; or
 - b. Your intentional or knowing **Unauthorized Access or Unauthorized Use**, tampering with, denial of service attack, or otherwise limiting or preventing the use of the **Named Insured's Computer System** or any third party's computer system or network;Provided, however, the above sub-parts shall not apply:
 - i. To any **Insured** who did not intentionally and knowingly commit, acquiesce or participate in the conduct that gave rise to the **Claim or Privacy Breach Event**;
 - ii. In the absence of a final judgment, adjudication or binding arbitration ruling adverse to such **Insured**. Upon such final adverse judgment, adjudication, or final arbitration ruling, the **Insured** shall reimburse us for all **Damages, Privacy Breach Expenses, and Claim Expenses** we have incurred or paid.
 9. Any actual electrical or mechanical failures, including power interruption, surge, brownout or blackout, or defect of telephone, telecommunications, or data transmission lines, services, equipment, or infrastructure.
 10. Any Internet System failure, Internet Service failure, Internet Service Provider failure, or failure of any device or system that is not owned or leased by you and is operated under your control.
 11. Any failure or interruption of service of a cloud provider or other entity providing hardware or software services to you over the Internet, including the provision of software as a service, infrastructure as a service, platform as a service, or data storage as a service, except that this exclusion shall not apply to entities hosting hardware or software that you own, lease, or control.

12. Any actual or alleged patent infringement or theft, copying, misappropriation, display, or publication of any patent, process, confidential or proprietary information, or trade secret.
13. The outsourcing of data processing and other business functions to a location outside the United States, Canada, or European Union when the outsourced activity involves **Protected Information** in your care, custody, or control. However, this exclusion does not apply as respects Cloud based storage.
14. Any actual or alleged gaining in fact of any profit or advantage to which **you** are not legally entitled.
15. Any actual or alleged:
 - a. Bodily injury, sickness, disease or death of any person;
 - b. Physical injury to, or loss or destruction of, tangible property, including the loss of use thereof, or loss of use of tangible property which has not been physically injured, lost, damaged or destroyed;Provided, however, this exclusion shall not apply to a **Claim** for mental injury, mental anguish, or emotional distress directly resulting from a **Privacy Wrongful Act** or a **Media Wrongful Act**.
16. Any actual or alleged breach of contract, agreement, understanding, warranty including but not limited to product warranty, or other guarantee or promise; provided, however;
 - a. With respect to breach of contract only, this exclusion shall not apply to any liability that would have attached to you in the absence of such contract;
 - b. This exclusion shall not apply to fines the **Named Insured** is obligated under contract to pay to its acquiring bank or a payment card association due to the **Named Insured's** violation of Payment Card Industry Data Security Standards (PCI-DSS).
17. Any liability or obligation assumed by **you** under any contract, agreement, understanding, warranty including but not limited to product warranty, or other guarantee or promise; provided, however, that this exclusion shall not apply to:
 - a. Liability that would have attached to you in the absence of any such contract, agreement, understanding, warranty or other guarantee or promise: or
 - b. Fines the **Named Insured** is obligated under contract to pay to its acquiring bank or a payment card association due to the **Named Insured's** violation of Payment Card Industry Data Security Standards (PCI-DSS).
18. Any fact, circumstance, subject, decision, transaction, event or situation:
 - a. Which was the subject of notice prior to the inception of this Endorsement to any other insurance carrier under any other policy;
 - b. Which any principal, partner, or executive officer of the **Named Insured** was aware prior to the Effective Date of this Endorsement issued by **Us** that such fact, circumstance, subject, decision, transaction, event or situation could reasonably have been expected to give rise to a **Claim, Regulatory Proceeding, Privacy Breach Event** or **Network Disruption**.
19. Any litigation, proceeding or investigation prior to or pending on the Effective Date of this Endorsement, or any **Claim, Regulatory Proceeding, Privacy Breach Event, Related Event, Related Claim**, fact, circumstance, subject, decision, transaction, event, situation, cause, proceeding or investigation underlying or alleged therein.
20. Any actual or alleged:
 - a. Discrimination of any kind;
 - b. Wrongful employment practice of any kind.
21. Any actual or alleged:
 - a. Antitrust, restraint of trade, unfair, false or deceptive trade practice, or violation of any federal, state, local or foreign legislation, regulation or law prohibiting any antitrust activity, price fixing, price discrimination, monopoly or monopolization, predatory pricing, unfair competition, collusion, conspiracy or unfair, false, misleading or deceptive trade or business practice, advertising or promotion;
 - b. False, misleading, deceptive, or fraudulent statement or representation advertising or promoting the products, services, or business of the **Insured**.
22. Any actual or alleged violation of any federal, state, local, or foreign securities-related legislation, regulation, or law.

23. Any:

- a. Nuclear reaction, nuclear radiation, radioactive contamination, radioactive substance, electromagnetic field, electromagnetic radiation, or electromagnetism.
- b. War, invasion, acts of foreign enemies, hostilities (whether war is declared or not), rebellion, revolution, insurrection, war-like action, coup, usurped powers or military power.
- c. Fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical event.

24. The violation of any United States economic or trade sanction.

25. The presence, discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, oil or other petroleum substances or derivatives, waste materials or other irritants, contaminants, pollutants or any other substances, including asbestos, fungus, mold and lead, which are or may be injurious to public health, property or the environment ("hazardous substances"), including:

- a. The cost of cleanup or removal of hazardous substances;
- b. The cost of such actions as may be necessary to monitor, assess and evaluate, the presence, discharge, dispersal, escape, release, or threat of same, of hazardous substances;
- c. The cost of disposal of hazardous substances or the taking of such other action as may be necessary to temporarily or permanently prevent, minimize, or mitigate damage to the public health or welfare or to property or the environment, which may otherwise result; or
- d. Any cost, based upon, arising from, in consequence of, directly or indirectly resulting from, or involving in any way any government direction or request that the **Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize hazardous substances

B. We shall not be liable to pay Damages or Claim Expenses or Regulatory Fines from:

- 1. Any **Claim** against **you** that is brought by or on behalf of:
 - a. Any other **Insured**, other than a **Claim** by an employee of the **Named Insured** for a **Privacy Wrongful Act**;
 - b. Any entity which is owned or controlled by, is under common ownership or control with, any **Insured**;
 - c. Any person or entity which owns or controls any **Named Insured**;
 - d. Any entity of which any **Insured** is a director, officer, partner or principal shareholder; or
 - e. Any independent contractor of an **Insured**.
- 2. Any **Claim** against **you** that is brought by or on behalf of any federal, state, local or foreign administrative, governmental, or regulatory agency, tribunal, body or similar or equivalent entity; however, this exclusion shall not apply if a **Claim** is brought by any such entity as a client and the **Claim** is for a **Wrongful Act** in connection with the client relationship between such entity and the **Named Insured**; or
- 3. Any **Claim** based on, resulting from or arising out of any **Media Wrongful Act** committed or which took place in whole or in part before the inception date of the earliest policy issued to the **Named Insured** that offered on a continuous basis the same or substantially equivalent coverage as the relevant coverage provided under this Endorsement;
- 4. Any **Claim** or **Regulatory Proceeding** based on, resulting from, arising out of or related to a **Privacy Breach Event**:
 - a. That was not timely reported to **us** under "Section V. CONDITION C."; or
 - b. That was not first discovered by **you** during the **Endorsement Period** or, if this Endorsement was not renewed, within thirty (30) days after the end of the **Endorsement Period**; or
- 5. Any **Claim** against **you** or brought by any insurer who may be liable under, any Workers' Compensation, Unemployment Compensation, Disability Benefits Law, the Employee Retirement Income Security Act of 1974, as amended, or any similar federal, state, local or foreign legislation, regulation or law.

SECTION IV – LIMITS OF INSURANCE AND

DEDUCTIBLE

- A. The Third Party Cyber Liability Coverage Limit of Insurance specified in "A" of the Schedule and the rules detailed below fix the maximum amount **we** are obligated to pay for all **Damages** and **Claim Expenses** from each **Claim** or **Related Claims** and all **Claims** or **Related Claims** under this Endorsement, as detailed in Insuring Agreement "A.1".

The Third Party Cyber Liability Coverage Limit of Insurance shall be part of, and not in addition to, the Cyber Coverage Aggregate Limit of Insurance specified in the Schedule.

- B. The **Regulatory Proceeding** Coverage Limit of Insurance specified in "B" of the Schedule and the rules detailed below fix the maximum amount **we** are obligated to pay for all **Claim Expenses** and **Regulatory Fines** from each **Regulatory Proceeding** and all **Regulatory Proceedings** under this Endorsement, as detailed in Insuring Agreement "A.2." The **Regulatory Proceeding** Coverage Limit of Insurance shall be part of, and not in addition to, the Cyber Coverage Aggregate Limit of Insurance specified in the Schedule.

- C. The First Party **Privacy Breach Expense** Coverage Limit of Insurance specified in "C" of the Schedule and the rules detailed below fix the maximum amount **we** are obligated to pay for all **Privacy Breach Expenses** from each **Privacy Breach Event**, **System Compromise**, **Extortion Threat**, or **Related Events** under this Endorsement, as detailed in Insuring Agreement "A.3."

The **Privacy Breach Expense** Coverage Limit of Insurance shall be part of, and not in addition to, the Cyber Coverage Aggregate Limit of Insurance specified in the Schedule.

- D. First Party Business Interruption Coverage Aggregate Limit of Insurance specified in "D" of the Schedule and the rules detailed below fix the maximum amount **we** are to pay for all **Business Income Loss** and **Extra Expense** from all **Network Disruptions** under this Endorsement, as detailed in Insuring Agreement "A.4". The First Party **Business Income Loss** and **Extra Expense** Aggregate Limit of Insurance shall be part of, and not in addition to, the Cyber Coverage Aggregate Limit of Insurance specified in the Schedule.

- E. The Cyber Coverage Aggregate Limit of Insurance specified in "E" of the Schedule shall fix the maximum amount **we** shall pay for all **Damages** and **Claim Expenses** from all **Claims**, all **Claim Expenses** and **Regulatory Fines** from all **Regulatory Proceedings**, all **Privacy Breach Expenses** from all **Privacy Breach Events**, all **System Compromises** and all **Extortion Threats**, all **Business Income Loss** and **Extra Expense** from all **Network Disruptions** and all **Related Claims** and **Related Events** covered under this Endorsement.

- F. If any Limit of Insurance is exhausted, the premium for this Endorsement shall be deemed fully earned.

G. Deductible

For any **Claim**, **Regulatory Proceeding** **Privacy Breach Event**, **System Compromise**, or **Extortion Threat** **we** shall be liable for only the amount of the **Claim Expenses**, **Damages**, and **Privacy Breach Expenses** from such **Claim**, **Regulatory Proceeding**, **Privacy Breach Event**, **System Compromise**, or **Extortion Threat** exceeding the Deductible amount specified in the Schedule. **We** have no obligation, either to **you** or to any person or entity, to pay all or any portion of any Deductible amount for or on **your** behalf. Solely for the purpose of applying the Deductible, a single Deductible amount applies to all **Regulatory Proceedings**, **Related Claims**, **Related Events** based upon, arising from, in consequence of, directly or indirectly resulting from, or involving in any way continuous, repeated, the same, related, or substantially similar thefts or unauthorized disclosures of **Protected Information**.

SECTION V – CONDITIONS

- A. **You** agree to use due diligence to prevent and mitigate any **Privacy Breach Event**, **Network Disruption**, **System Compromise**, **Extortion Threat**, or **Regulatory Proceeding** or **Claim**. This includes, but is not limited to, complying with reasonable protocols for the following:

1. Providing and maintaining physical security for **your** premises, as well as **your Computer System**;
2. Providing and maintaining appropriate network security for **your Computer System**;
3. Providing and maintaining appropriate back-ups, firewalls, and virus scans;
4. Providing and maintaining encryption for transactions such as Credit Card, Debit Card, and Check Processing; and
5. Providing and maintaining appropriate disposal of files containing **Protected Information** no longer needed for use.

B. RELATED CLAIMS, RELATED EVENTS AND REGULATORY PROCEEDINGS

1. All **Related Claims**, whenever discovered, shall be deemed to be a single **Claim**, regardless of
 - a. The number of **Related Claims**;
 - b. The number or identity of claimants;
 - c. The number or identity of **Insureds** involved;
 - d. Whether the **Related Claims** are asserted in a class action or otherwise; or
 - e. The number and timing of the **Related Claims**, even if the **Related Claims** comprising such single **Claim** were received or discovered in more than one **Endorsement Period**.
 - f. Notice given by or on behalf of the **Insured** to our authorized agent, with particulars sufficient to identify the **Insured**, shall be considered notice to us.
 - g. Subject to the discovery requirements under all coverages provided by this **Endorsement**, failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

All **Related Claims** shall be treated as a single **Claim** discovered when the earliest of such **Related Claims** was first discovered, or when the earliest of such **Related Claims** is treated as having been first discovered under Condition B. below, whichever is the earliest date.

2. All **Related Events**, whenever occurring, shall be deemed to be a single **Privacy Breach Event**, regardless of:
 - a. The number of **Related Events**;
 - b. The number or identity of **Insureds** involved;
 - c. The number and timing of the **Related Events**, even if the **Related Events** comprising such single **Privacy Breach Event** occurred in more than one **Endorsement Period**.

All **Related Events** shall be treated as a single **Privacy Breach Event** or **Extortion Threat** first discovered when the earliest of such **Related Events** was first discovered.

3. All **Regulatory Proceedings** and **Related Claims** based upon, arising from, in consequence of, directly or indirectly resulting from, or involving in any way continuous, repeated, the same, related, or substantially similar thefts or unauthorized disclosures of **Protected Information** shall be deemed first discovered when the earliest of such **Related Claims** or **Regulatory Proceedings** was first discovered, or when the earliest of such **Related Claims** or **Regulatory Proceedings** is treated as having been first discovered under Condition B. below, whichever is the earliest date.

C. NOTICE OF PRIVACY BREACH EVENTS, NETWORK DISRUPTIONS, SYSTEM COMPROMISES, EXTORTION THREATS, REGULATORY PROCEEDINGS AND CLAIMS

1. You shall report to us a **Privacy Breach Event**, **System Compromise**, **Extortion Threat**, or **Network Disruption** for which coverage is being sought under this **Endorsement** immediately, but in no event later than thirty (30) days after you first discovered such **Privacy Breach Event**, **System Compromise**, **Extortion Threat**, or **Network Disruption**. Such reporting must include full particulars. Any subsequent **PCI Fine Assessment**, **Claim** for a **Privacy Wrongful Act** or **Regulatory Proceeding** directly related to such **Privacy Breach Event** shall be treated as a **Claim** or **Regulatory Proceeding** first discovered at the time you first discovered such **Privacy Breach Event**.
2. The **Named Insured** must give us written notice of any **Claim** or **Regulatory Proceeding** as soon as practicable, but in no event later than thirty (30) days after you first receive such **Claim** or **Regulatory Proceeding**. If the **Claim** is for a **Media Wrongful Act** or **Network Security Wrongful Act**, the date you first received such **Claim** shall be deemed the date you first discovered such **Claim**.
3. If, during the **Endorsement Period**, you become aware of any **Wrongful Act** or circumstance which could reasonably be expected to give rise to a **Claim**, **Regulatory Proceeding** or **Privacy Breach Event**, the **Named Insured** must provide written notice thereof to us as soon as practicable, but in no event later than the end of the **Endorsement Period**. The notice shall contain full particulars, including but not limited to:
 - a. The names of the potential claimant and the **Insureds** involved and a time, date, location and description of the specific **Wrongful Act** which forms the basis of the potential **Claim** or **Regulatory Proceeding**;
 - b. The nature of the potential **Damages** arising from such specific **Wrongful Act**;

- c. A description of the circumstance or **Wrongful Act** and how you first became aware of the **Wrongful Act** or potential **Privacy Breach Event**; and
- d. The reason you reasonably believe such **Wrongful Act** or circumstance is likely to result in a **Claim, Regulatory Proceeding, or Privacy Breach Event**.

Any **Claim** for a **Media Wrongful Act** or **Network Security Wrongful Act** arising out of such reported **Wrongful Act** shall be treated as a **Claim** or **Regulatory Proceeding** first discovered when such written notice was delivered to us.

Any **Claim** for a **Privacy Wrongful Act** or **Regulatory Proceeding** arising out of such reported **Wrongful Act** shall be treated as a **Claim** or **Regulatory Proceeding** first discovered at the earlier of:

- e. The date when such written notice was delivered to us; or
 - f. The date you first discovered a **Privacy Breach Event** which a **Claim** or **Regulatory Proceeding** is directly related, provided you reported such **Privacy Breach Event** to us in accordance with "Condition B.1" above.
4. Insured's Duties in the Event of a **Claim, Regulatory Proceeding, Privacy Breach Event, System Compromise, Extortion Threat** or **Network Disruption**.
- a. If there is a **Claim, Regulatory Proceeding, Privacy Breach Event, Extortion Threat** or **Network Disruption**, you must also do the following:
 - i. Fully assist and cooperate with us in the conduct, defense, investigation, negotiation, and settlement of any **Claim, Regulatory Proceeding, Privacy Breach Event, System Compromise, Extortion Threat, or Network Disruption**. At our request, you must: submit to an examination under oath; provide us with written statements; attend meetings and negotiations; produce and make available all information, books, records, documents and other materials which we deem relevant to the **Claim, Regulatory Proceeding, Privacy Breach Event, System Compromise, Extortion Threat** or **Network Disruption** or coverage therefor; attend hearings, depositions, proceedings, trials and appeals; assist us in effecting settlements, securing and giving evidence and obtaining the attendance of witnesses, and pursuing or enforcing any right of contribution or indemnity against a person or entity who may be liable to you.
 - ii. You must do whatever is necessary to secure and affect any rights of indemnity, contribution, or apportionment that you may have.
 - iii. You shall accept our assignment of counsel and shall refrain from discussing any **Claim, Regulatory Proceeding, Privacy Breach Event, System Compromise, Extortion Threat** or **Network Disruption** with anyone other than counsel retained to represent the **Insured** or our representatives.
 - iv. With respect to a **Privacy Breach Event, System Compromise** or **Extortion Threat**, you must take all reasonable steps to protect **Computer Systems** and **Protected Information** from further loss or damage, and keep a record of the expenses necessary to protect such **Computer Systems** and **Protected Information**.
 - v. With respect to a **Network Disruption**, you must take all reasonable steps and measures to limit or mitigate the **Business Income Loss** and the incurrence of **Extra Expenses**.
 - b. Within six (6) months after the discovery of any **Network Disruption**, the **Named Insured** must furnish us with written proof of the **Named Insured's** claimed loss, duly sworn to, with full particulars.
 - c. No **Insured** will, except at its own cost, voluntarily make a payment, admit liability, retain attorneys, consultants, or vendors, assume any other obligation, or accept or reject arbitration without our prior written consent. Any payments, settlements, or admissions you make without our prior written consent will be made at your own expense.

D. VALUATION OF BUSINESS INCOME LOSS

Business Income Loss will be calculated on an hourly basis based on the actual **Business Income Loss** the **Named Insured** sustains during the time period in which the **Named Insured's Computer System** is affected by the **Network Disruption**. In determining the amount of net profit or loss and expenses covered for the purpose of ascertaining the amount of **Business Income Loss**, we will give due consideration to the net profit or loss of the **Named Insured** before the **Network Disruption** occurred and the probable net profit or loss of the **Named Insured** if no **Network Disruption** had occurred. However, such net profit or loss calculations shall not include, and no coverage shall be provided for, net income that would likely have been earned as a result of an increase in the volume of the **Named Insured's** business due to favorable business conditions caused by the impact of any internet, computer, or network disruption suffered by other businesses.

E. BANKRUPTCY

Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate will not relieve us of any of our obligations under this Endorsement.

F. ACTION AGAINST US

No action shall be brought against us by any **Insured**, unless, as a condition precedent thereto:

1. all **Insureds** have fully complied with all the terms and conditions of this Endorsement; and
2. with respect to a **Claim**, the amount of **Damages** has been fixed or rendered certain:
 - a. final judgment against the **Insured** after trial of the issues; and
 - b. The time to appeal such judgment has expired without an appeal being taken; and
 - c. If appeal is taken, after the appeal has been determined; and
 - d. The **Claim** is settled in accordance with the terms and conditions of this Endorsement.

No individual or entity shall have any right under this Endorsement to join us as a party to any **Claim** to determine the liability of any **Insured**; nor shall we be impleaded by you or your legal representative in any such **Claim**.

- G.** In no event shall any action brought by anyone be maintained against us unless such action is brought within thirty-six (36) months from the time the right to bring action first became available. With respect to a **Network Disruption**, no legal proceedings for the recovery of any **Business Income Loss** or **Extra Expense** may be brought prior to the expiration of sixty (60) days after the **Named Insured's** original proof of loss is submitted to **OTHER INSURANCE**

This insurance shall be excess of and not contribute with all other insurance, whether collectible or not, that affords coverage for a **Wrongful Act**, a **Privacy Breach Event**, or a **Network Disruption**.

This condition does not apply to other insurance that is specifically and intentionally written to apply in excess of the limits provided by this Endorsement.

H. ASSIGNMENT OF THE INSURED'S INTEREST

The interest of the **Insured** under this Endorsement is not assignable to any other person or organization, except with our prior written consent.

I. TRANSFER OF RIGHTS OF RECOVERY /SUBROGATION

If there is a payment made by us, we shall be subrogated to all of your rights of recovery against any person or organization. You will cooperate with us and do whatever is necessary to secure and recover upon these rights, including but not limited to executing any documents necessary to enable us to effectively bring suit in your name. You shall do nothing that may prejudice our position or potential or actual rights of recovery. Your rights and obligations hereunder shall survive the expiration, cancellation, or termination of this Endorsement.

With respect to a **Claim**, any amount recovered upon the exercise of such rights of recovery will be applied on the following terms: first, to the repayment of expenses incurred by exercise of such subrogation rights; second, to **Damages** or **Claim Expenses** paid by the **Named Insured** in excess of the Limits of Insurance; third, to **Damages** or **Claim Expenses** paid by us; and finally, to **Damages** or **Claim Expenses** paid by the **Named Insured** toward the Deductible.

With respect to any **Privacy Breach Event**, **System Compromise** or **Network Disruption**, any amount recovered upon the exercise of such rights of recovery will be applied on the following terms: first, to the repayment of expenses incurred by exercise of such subrogation rights; second, to amounts paid by the **Named Insured** in excess of the Limits of Insurance; third, to amounts paid by us; and finally, to amounts paid by the **Named Insured** toward the Deductible.

Notwithstanding the foregoing, we agree to waive any right of subrogation hereunder against a client of the **Named Insured**, with respect to any payment made in connection with a **Claim** if, and to the extent that, prior to the occurrence of any **Wrongful Act** or **Privacy Breach Event** giving rise to such **Claim**, the **Named Insured** had agreed to waive its rights of subrogation against such client pursuant to a prior written contract or agreement.

J. CANCELLATION

This Endorsement may be canceled or non-renewed as provided in the terms and conditions that apply to the policy or Coverage Part to which it is attached. The **Endorsement Period** will end at the same time and date that any cancellation or nonrenewal of the policy or Coverage Part to which it is attached takes effect.

K. CHANGES MADE TO THIS ENDORSEMENT

The terms and conditions of this Endorsement cannot be waived or changed except by specific written endorsement issued by us and made part of the Endorsement.

L. AUDIT

We may examine and audit **your** books and records at any time during the **Endorsement Period** and within three (3) years after the expiration or termination date of this Endorsement as far as they relate to this Endorsement.

M. FALSE OR FRAUDULENT CLAIMS

If an **Insured** reports any matter knowing it to be false or fraudulent, we will not be liable to make any payments related to that matter.

N. TERMS AND CONDITIONS OF ENDORSEMENT CONFORMED TO STATUTE

Where necessary, the terms and conditions of this Endorsement will be amended to conform to applicable law.

O. PREMIUM

The premium amount for this Endorsement is stated in the Schedule and is for coverage for the **Endorsement Period**. If during the **Endorsement Period** there is a change in coverage afforded, we have the right to adjust the premium as of the date of the change. Any premium adjustment shall be made in accordance with our prevailing rules and rates.

Premium shown as advance premium is a minimum and deposit premium. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable by notice to the first **Named Insured**.

If the premium for this Endorsement is a flat premium, it is not subject to adjustment.

P. TERRITORY

This Endorsement applies to **Wrongful Acts**, **Privacy Breach Events** and **Network Disruptions** taking place anywhere in the world except Countries or States against which the United States has implemented trade or diplomatic sanctions. However, any **Claim** or **Regulatory Proceeding** must be brought in the United States.

Q. CHANGE IN RISK

1. If, during the **Endorsement Period**, the **Named Insured** acquires or creates another entity (other than a joint venture or partnership, which is addressed below) whose annual revenues are more than ten percent (10%) of the **Named Insured's** total annual revenues as set forth in the most recent Application for insurance, or if the **Named Insured** merges or consolidates with another entity such that the **Named Insured** is the surviving entity (any such acquired, created, merged or consolidated entity, including a new subsidiary, will be identified as the "Acquired Company"), then for a period of sixty (60) days after the effective date of the transaction, such Acquired Company shall be included as an **Named Insured** but only with respect to **Network Security Wrongful Acts** and **Privacy Wrongful Acts** first committed or allegedly committed after the effective date of such transaction, or **Privacy Breach Events**, **Extortion Threats** or **Network Disruptions** that first occur after the effective date of such transaction. Upon the expiration of the sixty (60) day period, there will be no coverage available under this Endorsement for any **Claim**, **Regulatory Proceeding**, **Privacy Breach Event**, **Extortion Threat** or **Network Disruption** based on, resulting from, arising out of, in consequence of, or in any way in connection with or involving, directly or indirectly, the Acquired Company unless within such sixty (60) day period:

- a. The **Named Insured** gives us such information regarding such transaction as we request;

- b. **We** have specifically agreed by written endorsement to this Endorsement to provide coverage with respect to such Acquired Company and the **Named Insured** accepts any terms, conditions, exclusions or limitations, including payment of additional premium, as **we**, in **our** sole discretion, impose in connection with the transaction; and
 - c. The **Named Insured** has paid the additional premium, if any, **we** charge and has agreed to any modifications to this Endorsement.
2. If, during the **Endorsement Period**, the **Insured** becomes a member of a new joint venture or partner in a new partnership, there will be no coverage available under this Endorsement for any **Claim, Damages, Claim Expenses, Privacy Breach Event, Extortion Threat, Network Disruption** or **Wrongful Act** based on, resulting from, arising out of, in consequence of, or in any way in connection with or involving, directly or indirectly, such joint venture or partnership, unless:
 - a. The **Named Insured** gives us such information regarding the new joint venture or partnership as we request; and
 - b. **We** specifically agree by written endorsement to this Endorsement to provide coverage with respect to such new joint venture or partnership, and the **Named Insured** accepts any terms, conditions, exclusions, or limitations, including payment of additional premium, as **we**, in **our** sole discretion, impose in connection with such transaction.
 3. If, during the **Endorsement Period**, any of the following events occur:
 - a. The **Named Insured** first identified in the policy Declarations is dissolved, sold, acquired by, merged into, or consolidated with another entity such that such **Named Insured** is not the surviving entity; or
 - b. A third party receiver, conservator, trustee, liquidator, rehabilitator or any similar official is appointed for or with respect to the **Named Insured** first identified in the policy Declarations;

coverage under this Endorsement shall continue in full force and effect until the Expiration Date or any earlier cancellation or termination date, but this Endorsement shall only apply to **Wrongful Acts** first committed or allegedly committed before the effective date of such event or a **Privacy Breach Event, Extortion Threat** or **Network Disruption** that first occurs before the effective date of such event. There will be no coverage available under this Endorsement based on, resulting from, arising out of, in consequence of, or in any way in connection with or involving, directly or indirectly any **Wrongful Act** committed or allegedly committed on or after the effective date of such event or any **Privacy Breach Event, Extortion Threat** or **Network Disruption** that occurs after the effective date of such event.

R. ENTIRE AGREEMENT

The **Insureds** agree that this Endorsement, including the application, Schedule and any endorsements, constitutes the entire agreement between them and the Company or any of its agents relating to this insurance.

S. ECONOMIC AND TRADE SANCTIONS OR VIOLATIONS OF LAW

Any **Claim, Regulatory Proceeding, Privacy Breach Event, Extortion Threat, Network Disruption** or matter uninsurable under any act, statute, rule, regulation, ordinance, common law, or other law of the United States of America concerning trade or economic sanctions or export control laws is not covered under this Endorsement.

**ADDITIONAL CONDITION – TWO OR MORE
COVERAGE FORMS OR POLICIES ISSUED BY US**

IL CW MG0006 0417

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
ELECTRONIC DATA LIABILITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCT WITHDRAWAL COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART

The following is added to **Conditions**:

If this Coverage Form or Policy and any other form or policy issued to you by us, or any company affiliated with us, applies to the same accident, occurrence, event, claim, act, claim or loss, the aggregate maximum limit of insurance under all coverage forms or policies shall not exceed the highest applicable limit of insurance under any one Coverage Form or Policy. This condition does not apply to any Coverage Form or Policy issued by us or an affiliated company specifically to apply as excess insurance over this coverage form or policy.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

- BUSINESSOWNERS POLICY
- COMMERCIAL AUTOMOBILE COVERAGE PART
- COMMERCIAL CRIME COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- ELECTRONIC DATA LIABILITY COVERAGE PART
- EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
- EQUIPMENT BREAKDOWN COVERAGE PART
- FARM COVERAGE PART
- LIQUOR LIABILITY COVERAGE PART
- OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
- POLLUTION LIABILITY COVERAGE PART
- PRODUCT WITHDRAWAL COVERAGE PART
- PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
- PROFESSIONAL LIABILITY COVERAGE PART
- RAILROAD PROTECTIVE COVERAGE PART
- UNDERGROUND STORAGE TANK COVERAGE PART

MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY DBA MOTORISTS INSURANCE
471 E. Broad Street
Columbus, Ohio 43215

The following additional provisions are added:

A. Annual Meeting

The annual meeting of the membership of the company is held at its home office in Columbus, Ohio on the fourth Monday in April of each year at one o'clock p.m. unless said day is a holiday in which event the next succeeding day, not a holiday.

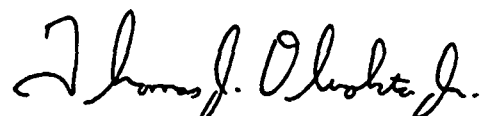
B. Nonassessable

This policy is nonassessable. While this policy is in force, the Named Insured is a member of the company and, as such, is entitled to the privileges provided by the by-laws of the company.

C. In Witness Whereof

Motorists Commercial Mutual Insurance Company DBA Motorists Insurance has caused this policy to be signed by its President and Corporate Secretary at Columbus, Ohio.


Corporate Secretary


President

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
ELECTRONIC DATA LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCT WITHDRAWAL COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART

The following is added to **Exclusions**:

This insurance does not apply to claims, "suits", actions or proceedings against the insured arising out of:

1. Any actual or alleged "bodily injury" arising out of the ingestion, inhalation or absorption of lead in any form;
2. Any actual or alleged "property damage" or "personal and advertising injury" arising out of any form of lead;
3. Any loss, cost or expense arising out of any:
 - a. Request, demand or order that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of lead; or
 - b. Claim or "suit" by or on behalf of any governmental authority for damages resulting from testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of lead.

All other terms and conditions remain unchanged.

EXCLUSION – LUMBER AND OTHER WOOD PRODUCTS TREATED WITH ARSENIC

IL CW MG0010 0417

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following is added to **Exclusions**:

This insurance does not apply to “bodily injury”, “property damage”, or “personal and advertising injury” arising out of or in any way related to:

1. Chromated copper arsenate (CCA); or
2. Other wood preservatives that contain arsenic.

All other terms and conditions remain unchanged.

COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS PAGE

Policy Number: 5000059403	New Business
Named Insured and Mailing Address: The Cocorico Corp dba Round Corner Cantina 3720 BUTLER ST PITTSBURGH, PA 15201-1837	Producer Name and Address: KMRD Partners Inc 2600 Kelly Rd Ste 120 Warrington, PA 18976-3652 Telephone: (267) 482-8390
Policy Period	
From: 10/31/2019	
To: 10/31/2020	

In return for the payment of the premium, and subject to all the terms and conditions of this Policy, we agree with you to provide the insurance as stated in this Policy.

DESCRIPTION OF BUSINESS

Form of Business: Corporation
Business Description: Upscale Mexican Restaurant

DESCRIPTION OF PREMISES Refer to Schedule of Premises

Prem. No.	Bldg. No.	Construction	Class Code Description
1	1	Masonry Non-Combustible	Mercantile - Sole Occupancy Only -- Not Otherwise Classified -- Moderate Susceptibility

COVERAGES PROVIDED Insurance At The Described Premises Applies Only For Coverages For Which A Limit Of Insurance Is Shown

Prem. No.	Bldg. No.	Coverage	Limit Of Insurance	Covered Causes Of Loss	Coinsurance*
1	1	Business Income With Extra Expense: Business Income with Rental Value	\$ 350,000	Special	80%
1	1	Building and Personal Property Coverage Form: All Personal Property	\$ 200,000	Special	80%

*If Extra Expense Coverage, Limits On Loss Payment

OPTIONAL COVERAGES Applicable Only When Entries Are Made In The Schedule Below

Prem. No.	Bldg. No.	Coverage	Agreed Value		Valuation Method
			Amount	Expiration Date	
1	1	Business Income With Extra Expense: Business Income with Rental Value			
Inflation Guard (%)		*Monthly Limit Of Indemnity (Fraction)	*Maximum Period Of Indemnity		*Extended Period Of Indemnity (Days)
		Not Applicable	No		Not Applicable
Earthquake (CP 10 40)		Earthquake Sprinkler Leakage Only (X)	Earthquake Deductible	Earthquake Coinsurance	Masonry Veneer Included (X)
No Coverage					

Prem. No.	Bldg. No.	Coverage	Agreed Value		Valuation Method
			Amount	Expiration Date	
1	1	Building and Personal Property Coverage Form: All Personal Property			RC
Inflation Guard (%)		*Monthly Limit Of Indemnity (Fraction)	*Maximum Period Of Indemnity		*Extended Period Of Indemnity (Days)
N/A					
Earthquake (CP 10 40)		Earthquake Sprinkler Leakage Only (X)	Earthquake Deductible	Earthquake Coinsurance	Masonry Veneer Included (X)
No Coverage					

*Applies to Business Income Only

DEDUCTIBLE

\$ 500

Exceptions:

FORMS APPLICABLE

To All Coverages: Refer to Schedule of Forms and Endorsements

To Specific Premises/Coverages:



Member of Motorists Insurance Group

Prem. No.	Bldg. No.	Coverages	Form Number

ACCOUNTING INFORMATION

Total Commercial Property Premium	\$1,910.00
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BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section H. Definitions.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, A.1., and limited in A.2. Property Not Covered, if a Limit Of Insurance is shown in the Declarations for that type of property.

a. Building, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery; and
 - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire-extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure;
 - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. Your Business Personal Property

consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

c. Personal Property Of Others that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, n., does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises.This paragraph does not apply to:
 - (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;

- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
 - (c) Rowboats or canoes out of water at the described premises; or
 - (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers; or
- q. The following property while outside of buildings:
- (1) Grain, hay, straw or other crops;
 - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes Of Loss form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
 - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
 - (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
 - (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;

- (d) Remove property of others of a type that would not be Covered Property under this Coverage Form;
 - (e) Remove deposits of mud or earth from the grounds of the described premises;
 - (f) Extract "pollutants" from land or water; or
 - (g) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
- (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.
- (4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

(5) Examples

The following examples assume that there is no Coinsurance penalty.

Example 1

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 – \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
	(\$10,000 is 20% of \$50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

Example 2

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 – \$500)
Debris Removal Expense:	\$ 40,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 25,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000, capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$40,000) exceeds 25% of the loss payable plus the deductible (\$40,000 is 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph (4). Thus, the total payable for debris removal expense in this example is \$35,500; \$4,500 of the debris removal expense is not covered.

b. Preservation Of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for service at each premises described in the Declarations, unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

e. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.
- (3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a) You were required to comply with before the loss, even when the building was undamaged; and
 - (b) You failed to comply with.

(5) Under this Additional Coverage, we will not pay for:

- (a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
 - (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.
- The amount payable under this Additional Coverage is additional insurance.
- (7) With respect to this Additional Coverage:
- (a) We will not pay for the Increased Cost of Construction:
 - (i) Until the property is actually repaired or replaced at the same or another premises; and
 - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the same premises.
 - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the new premises.
 - (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
 - (9) The costs addressed in the Loss Payment and Valuation Conditions and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in e.(6) of this Additional Coverage, is not subject to such limitation.
- f. Electronic Data**
- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
 - (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:
 - (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
 - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
 - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired Or Constructed Property

(1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

(2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:

- (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or
- (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

- (b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

b. Personal Effects And Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers And Records (Other Than Electronic Data)

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and, therefore, coverage of such costs is not additional insurance.

d. Property Off-premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
 - (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
 - (a) In or on a vehicle; or
 - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

f. Non-owned Detached Trailers

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
 - (a) The trailer is used in your business;
 - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
 - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
 - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
 - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

g. Business Personal Property Temporarily In Portable Storage Units

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the building or structure described in the Declarations or within 100 feet of the premises described in the Declarations, whichever distance is greater.

- (2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.
- (3) Coverage under this Extension:
 - (a) Will end 90 days after the business personal property has been placed in the storage unit;
 - (b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.
- (4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.
- (5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. Exclusions And Limitations

See applicable Causes Of Loss form as shown in the Declarations.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

Example 1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance – Building 1:	\$ 60,000
Limit of Insurance – Building 2:	\$ 80,000
Loss to Building 1:	\$ 60,100
Loss to Building 2:	\$ 90,000

The amount of loss to Building 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building 1:

\$ 60,100
- 250
\$ 59,850 Loss Payable – Building 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building 2. Loss payable for Building 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:
\$59,850 + \$80,000 = \$139,850

Example 2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example 1.

Loss to Building 1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building 2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building 1:	\$ 60,000
(Limit of Insurance)	
Loss Payable – Building 2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.

- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
 - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
 - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
 - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
 - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - (8) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to b. below;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b. below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.
- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.

h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

6. Vacancy

a. Description Of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

(i) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or

(ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

(1) We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss:

(a) Vandalism;

(b) Sprinkler leakage, unless you have protected the system against freezing;

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

a. At actual cash value as of the time of loss or damage, except as provided in b., c., d. and e. below.

b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value, even when attached to the building:

- (1) Awnings or floor coverings;
 - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
 - (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' Improvements and Betterments at:
- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
 - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
- If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
- (3) Nothing if others pay for repairs or replacement.

F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example 1 (Underinsurance)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 100,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$100,000 \div \$200,000 = .50$

Step (3): $\$40,000 \times .50 = \$20,000$

Step (4): $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

Example 2 (Adequate Insurance)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 200,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$250,000 \times 80\%$). Therefore, the Limit of Insurance in this example is adequate, and no penalty applies. We will pay no more than \$39,750 ($\$40,000$ amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example 3

When: The value of the property is:

Building at Location 1:	\$ 75,000
Building at Location 2:	\$ 100,000
Personal Property at Location 2:	<u>\$ 75,000</u>
	\$ 250,000
The Coinsurance percentage for it is:	
	90%
The Limit of Insurance for Buildings and Personal Property at Locations 1 and 2 is:	
	\$ 180,000
The Deductible is:	
	\$ 1,000
The amount of loss is:	
Building at Location 2:	\$ 30,000
Personal Property at Location 2:	<u>\$ 20,000</u>
	\$ 50,000

Step (1): $\$250,000 \times 90\% = \$225,000$
 (the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): $\$180,000 \div \$225,000 = .80$

Step (3): $\$50,000 \times .80 = \$40,000$

Step (4): $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
 - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item:

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.

- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
 - (1) On or after the effective date of this Optional Coverage; and
 - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
 - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
 - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example

If: The applicable Limit of Insurance is: \$ 100,000
 The annual percentage increase is: 8%
 The number of days since the beginning of the policy year (or last policy change) is: 146
 The amount of increase is:
 $\$100,000 \times .08 \times 146 \div 365 =$ \$ 3,200

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.
- b. This Optional Coverage does not apply to:
 - (1) Personal property of others;
 - (2) Contents of a residence;
 - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or

- (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
 - (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
 - (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

4. Extension Of Replacement Cost To Personal Property Of Others

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph 3.b.(1) of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

H. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

A. Coverage

1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit Of Insurance is shown in the Declarations:

- (1) Business Income Including "Rental Value".
- (2) Business Income Other Than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit Of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises means:

- (a) The portion of the building which you rent, lease or occupy;
- (b) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

2. Extra Expense

- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.
- b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

- (2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

3. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes Of Loss form as shown in the Declarations.

4. Additional Limitation – Interruption Of Computer Operations

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
- d. This Additional Limitation does not apply when loss or damage to electronic data involves only electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

5. Additional Coverages

a. Civil Authority

In this Additional Coverage, Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
 - (2) When your Civil Authority Coverage for Business Income ends;
- whichever is later.

b. Alterations And New Buildings

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
 - (a) Used in the construction, alterations or additions; or
 - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

c. Extended Business Income

(1) Business Income Other Than "Rental Value"

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
 - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 60 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

(2) "Rental Value"

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
 - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 60 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

d. Interruption Of Computer Operations

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation – Interruption Of Computer Operations.

- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss. However, we will not provide coverage under this Additional Coverage when the Additional Limitation – Interruption Of Computer Operations does not apply based on Paragraph A.4.d. therein.
- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
 - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Interruption Of Computer Operations.
 - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage, Interruption Of Computer Operations, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (5) This Additional Coverage, Interruption Of Computer Operations, does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

6. Coverage Extension

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

Newly Acquired Locations

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location, unless a higher limit is shown in the Declarations.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
 - (1) This policy expires;

- (2) 30 days expire after you acquire or begin to construct the property; or
- (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

The Additional Condition, Coinsurance, does not apply to this Extension.

B. Limits Of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

Payments under the following coverages will not increase the applicable Limit of Insurance:

1. Alterations And New Buildings;
2. Civil Authority;
3. Extra Expense; or
4. Extended Business Income.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage.

C. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

2. Duties In The Event Of Loss

a. You must see that the following are done in the event of loss:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - (7) Cooperate with us in the investigation or settlement of the claim.
 - (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

3. Loss Determination

- a. The amount of Business Income loss will be determined based on:
- (1) The Net Income of the business before the direct physical loss or damage occurred;
 - (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
 - (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
 - (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.
- b. The amount of Extra Expense will be determined based on:
- (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
 - (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. Resumption Of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
 - (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

D. Additional Condition

COINSURANCE

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

1. The Coinsurance percentage shown for Business Income in the Declarations; times
2. The sum of:
 - a. The Net Income (Net Profit or Loss before income taxes), and
 - b. Operating expenses, including payroll expenses,that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

Instead, we will determine the most we will pay using the following steps:

Step (1): Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;

Step (2): Divide the Limit of Insurance for the described premises by the figure determined in Step (1); and

Step (3): Multiply the total amount of loss by the figure determined in Step (2).

We will pay the amount determined in Step (3) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- (1) Prepaid freight – outgoing;
- (2) Returns and allowances;
- (3) Discounts;
- (4) Bad debts;
- (5) Collection expenses;
- (6) Cost of raw stock and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if Form CP 15 11 is attached);
- (11) All payroll expenses or the amount of payroll expense excluded (if Form CP 15 10 is attached); and
- (12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion – not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

Example 1 (Underinsurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000
The Coinsurance percentage is: 50%
The Limit of Insurance is: \$ 150,000
The amount of loss is: \$ 80,000

Step (1): $\$400,000 \times 50\% = \$200,000$

(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$150,000 \div \$200,000 = .75$

Step (3): $\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

Example 2 (Adequate Insurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000
The Coinsurance percentage is: 50%
The Limit of Insurance is: \$ 200,000
The amount of loss is: \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$400,000 \times 50\%$). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to Extra Expense Coverage.

E. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Maximum Period Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:

- (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
- (2) The Limit Of Insurance shown in the Declarations.

2. Monthly Limit Of Indemnity

a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:

- (1) The Limit of Insurance, multiplied by
- (2) The fraction shown in the Declarations for this Optional Coverage.

Example

When: The Limit of Insurance is:	\$ 120,000
The fraction shown in the Declarations for this Optional Coverage is:	1/4
The most we will pay for loss in each period of 30 consecutive days is:	\$ 30,000
(\$120,000 x 1/4 = \$30,000)	
If, in this example, the actual amount of loss is:	
Days 1-30:	\$ 40,000
Days 31-60:	\$ 20,000
Days 61-90:	<u>\$ 30,000</u>
	\$ 90,000
We will pay:	
Days 1-30:	\$ 30,000
Days 31-60:	\$ 20,000
Days 61-90:	<u>\$ 30,000</u>
	\$ 80,000

The remaining \$10,000 is not covered.

3. Business Income Agreed Value

- a. To activate this Optional Coverage:
 - (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
 - (a) During the 12 months prior to the date of the Work Sheet; and

(b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

(2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:

- (a) The Coinsurance percentage shown in the Declarations; multiplied by
- (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.

b. The Additional Condition, Coinsurance, is suspended until:

- (1) 12 months after the effective date of this Optional Coverage; or
- (2) The expiration date of this policy; whichever occurs first.

c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:

- (1) Within 12 months of the effective date of this Optional Coverage; or
- (2) When you request a change in your Business Income Limit of Insurance.

d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:

- (1) The Business Income Limit of Insurance; divided by
- (2) The Agreed Value.

Example

When: The Limit of Insurance is:	\$ 100,000
The Agreed Value is:	\$ 200,000
The amount of loss is:	\$ 80,000
Step (1):	$\$100,000 \div \$200,000 = .50$
Step (2):	$.50 \times \$80,000 = \$40,000$

We will pay \$40,000. The remaining \$40,000 is not covered.

4. Extended Period Of Indemnity

Under Paragraph A.5.c., **Extended Business Income**, the number 60 in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

F. Definitions

1. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means:
 - a. Your business activities occurring at the described premises; and
 - b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.
3. "Period of restoration" means the period of time that:
 - a. Begins:
 - (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
 - (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;
caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down, of any property; or

- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. "Rental Value" means Business Income that consists of:
 - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
 - b. Continuing normal operating expenses incurred in connection with that premises, including:
 - (1) Payroll; and
 - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
6. "Suspension" means:
 - a. The slowdown or cessation of your business activities; or
 - b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
 - c. Your tenant.

This will not restrict your insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
 - 1. Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
 - 2. Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G**. Definitions.

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b.(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

With respect to coverage for Volcanic Action as set forth in **(5)(a)**, **(5)(b)** and **(5)(c)**, all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion applies regardless of whether any of the above, in Paragraphs **(1)** through **(5)**, is caused by an act of nature or is otherwise caused.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Utility Services

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

f. War And Military Action

- (1) War, including undeclared or civil war;

- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);

- (2) Mudslide or mudflow;

- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;

- (4) Water under the ground surface pressing on, or flowing or seeping through:

- (a) Foundations, walls, floors or paved surfaces;

- (b) Basements, whether paved or not; or

- (c) Doors, windows or other openings; or

- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

h. "Fungus", Wet Rot, Dry Rot And Bacteria

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria result in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- (1) When "fungus", wet or dry rot or bacteria result from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria, with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b. Delay, loss of use or loss of market.**
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.**

d.(1) Wear and tear;

(2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

(3) Smog;

(4) Settling, cracking, shrinking or expansion;

(5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.

(6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

(7) The following causes of loss to personal property:

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature; or

(c) Marring or scratching.

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

- (1)** You do your best to maintain heat in the building or structure; or
- (2)** You drain the equipment and shut off the supply if the heat is not maintained.

h. Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1)** Applies whether or not an act occurs during your normal hours of operation;
- (2)** Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.

i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

j. Rain, snow, ice or sleet to personal property in the open.

k. Collapse, including any of the following conditions of property or any part of the property:

- (1)** An abrupt falling down or caving in;
- (2)** Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3)** Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to **(1)** or **(2)** above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, **k.**, does not apply:

- (a)** To the extent that coverage is provided under the Additional Coverage, Collapse; or
- (b)** To collapse caused by one or more of the following:
 - (i)** The "specified causes of loss";
 - (ii)** Breakage of building glass;
 - (iii)** Weight of rain that collects on a roof, or
 - (iv)** Weight of people or personal property.

l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, **l.**, does not apply to damage to glass caused by chemicals applied to the glass.

m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following, **3.a.** through **3.c.** But if an excluded cause of loss that is listed in **3.a.** through **3.c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph **1.** above to produce the loss or damage.

b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Faulty, inadequate or defective:

- (1)** Planning, zoning, development, surveying, siting;
- (2)** Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3)** Materials used in repair, construction, renovation or remodeling; or
- (4)** Maintenance;

of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms:

a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused by or resulting from:
 - (a) Damage or destruction of "finished stock"; or
 - (b) The time required to reproduce "finished stock".This exclusion does not apply to Extra Expense.
- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
 - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.
- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
- (5) Any other consequential loss.

b. Leasehold Interest Coverage Form

- (1) Paragraph B.1.a., Ordinance Or Law, does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:
 - (a) Your cancelling the lease;
 - (b) The suspension, lapse or cancellation of any license; or
 - (c) Any other consequential loss.

c. Legal Liability Coverage Form

- (1) The following exclusions do not apply to insurance under this Coverage Form:
 - (a) Paragraph B.1.a. Ordinance Or Law;
 - (b) Paragraph B.1.c. Governmental Action;
 - (c) Paragraph B.1.d. Nuclear Hazard;
 - (d) Paragraph B.1.e. Utility Services; and
 - (e) Paragraph B.1.f. War And Military Action.

- (2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

5. Additional Exclusion

The following provisions apply only to the specified property:

Loss Or Damage To Products

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated:

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

- (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
- (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
- (2) Business Income Coverage or Extra Expense Coverage.

e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:

- (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
- (2) Changes in or extremes of temperature;
- (3) Disease;
- (4) Frost or hail; or
- (5) Rain, snow, ice or sleet.

2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:

a. Animals, and then only if they are killed or their destruction is made necessary.

b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:

- (1) Glass; or
- (2) Containers of property held for sale.

c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

- (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or

- (2) To Business Income Coverage or to Extra Expense Coverage.
3. The special limit shown for each category, a. through d., is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are (unless a higher limit is shown in the Declarations):
- a. \$2,500 for furs, fur garments and garments trimmed with fur.
 - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - c. \$2,500 for patterns, dies, molds and forms.
 - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, C.3., does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:
- a. Results in discharge of any substance from an automatic fire protection system; or
 - b. Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

D. Additional Coverage – Collapse

The coverage provided under this Additional Coverage, Collapse, applies only to an abrupt collapse as described and limited in D.1. through D.7.

1. For the purpose of this Additional Coverage, Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
- a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
 - b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 - c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
 - d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
 - (1) A cause of loss listed in 2.a. or 2.b.;
 - (2) One or more of the "specified causes of loss";
 - (3) Breakage of building glass;
 - (4) Weight of people or personal property; or
 - (5) Weight of rain that collects on a roof.
3. This **Additional Coverage – Collapse** does not apply to:
- a. A building or any part of a building that is in danger of falling down or caving in;
 - b. A part of a building that is standing, even if it has separated from another part of the building; or
 - c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
4. With respect to the following property:
- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;

- b. Awnings, gutters and downspouts;
 - c. Yard fixtures;
 - d. Outdoor swimming pools;
 - e. Fences;
 - f. Piers, wharves and docks;
 - g. Beach or diving platforms or appurtenances;
 - h. Retaining walls; and
 - i. Walks, roadways and other paved surfaces;
- if an abrupt collapse is caused by a cause of loss listed in 2.a. through 2.d., we will pay for loss or damage to that property only if:

(1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and

(2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- a. The collapse of personal property was caused by a cause of loss listed in 2.a. through 2.d.;
 - b. The personal property which collapses is inside a building; and
 - c. The property which collapses is not of a kind listed in 4., regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph 5. does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

6. This Additional Coverage, Collapse, does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
7. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.
8. The term Covered Cause of Loss includes the Additional Coverage, Collapse, as described and limited in D.1. through D.7.

E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria

1. The coverage described in E.2. and E.6. only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:

a. A "specified cause of loss" other than fire or lightning; or

b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:

a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;

b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and

c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

3. The coverage described under E.2. of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria cause an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph F.2. (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss form or under the Additional Coverage, Collapse.
6. The following, 6.a. or 6.b., applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form:
- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
- b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

F. Additional Coverage Extensions

1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
- (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
 - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension F.3. does not increase the Limit of Insurance.

G. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
 - c. Water damage means:
 - (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; and

- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe caused by wear and tear, when the pipe is located off the described premises and is connected to or is part of a potable water supply system or sanitary sewer system operated by a public or private utility service provider pursuant to authority granted by the state or governmental subdivision where the described premises are located.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage under this policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in c.(1) or c.(2) of this definition of "specified causes of loss," such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the surface of the ground.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

BUILDERS' RISK COVERAGE FORM
 BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
 STANDARD PROPERTY POLICY

SCHEDULE

Premises Number: 1	Building Number: 1	Applicable Clause (Enter C.1., C.2., C.3. or C.4.): C.1.
Description Of Property: All Personal Property		
Loss Payee Name: S&T Bank		
Loss Payee Address: PO BOX 190, Indiana, PA 15701-0190		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

- A. When this endorsement is attached to the Standard Property Policy CP 00 99, the term Coverage Part in this endorsement is replaced by the term Policy.
- B. Nothing in this endorsement increases the applicable Limit of Insurance. We will not pay any Loss Payee more than their financial interest in the Covered Property, and we will not pay more than the applicable Limit of Insurance on the Covered Property.
- C. The following is added to the **Loss Payment** Loss Condition, as indicated in the Declarations or in the Schedule:
 - 1. **Loss Payable Clause**
 For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:
 - a. Adjust losses with you; and
 - b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear
 - 2. **Lender's Loss Payable Clause**
- a. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:
 - (1) Warehouse receipts;
 - (2) A contract for deed;
 - (3) Bills of lading;
 - (4) Financing statements; or
 - (5) Mortgages, deeds of trust, or security agreements.
- b. For Covered Property in which both you and a Loss Payee have an insurable interest:
 - (1) We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
 - (2) The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
 - (3) If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

- (a) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (b) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (c) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Part will then apply directly to the Loss Payee.

- (4) If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
 - (a) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
 - (b) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

- c. If we cancel this policy, we will give written notice to the Loss Payee at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- d. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

3. Contract Of Sale Clause

- a. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered into a contract with for the sale of Covered Property.
- b. For Covered Property in which both you and the Loss Payee have an insurable interest, we will:
 - (1) Adjust losses with you; and
 - (2) Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.
- c. The following is added to the **Other Insurance** Condition:
For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

4. Building Owner Loss Payable Clause

- a. The Loss Payee shown in the Schedule or in the Declarations is the owner of the described building in which you are a tenant.
- b. We will adjust losses to the described building with the Loss Payee. Any loss payment made to the Loss Payee will satisfy your claims against us for the owner's property.
- c. We will adjust losses to tenants' improvements and betterments with you, unless the lease provides otherwise.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TENTATIVE RATE

The rates used in the development of the premium for the Commercial Property Coverage Part are tentative. We will adjust the premium effective from the inception date of this Coverage Part once the rates are promulgated. If this is a renewal of a policy previously issued by us, we will adjust the premium effective from the renewal date of this Coverage Part once the rates are promulgated.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS – SPECIAL FORM**

The coverage provided by this endorsement is subject to the provisions, including exclusions and limitations, applicable to the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** and the **CAUSES OF LOSS – SPECIAL FORM**, except as provided below. The deductible shown on the Declarations Page applies unless otherwise shown in this endorsement. If the applicable provision does not specifically modify or add coverage to the Building or Business Personal Property, the deductible that shall apply will be the lower of the Building or Business Personal Property Deductible shown on the Declarations.

Coverage Summary – Please refer to the applicable Coverage Section for Full Terms and Conditions	
Coverage/Modification	Limit
Buildings	Enhanced building definition
Outdoor Signs (attached or detached)	Included as part of building limit
Business Personal Property	Enhanced business personal property definition
Debris Removal	30% of the sum of the deductible plus the amount we pay for direct physical loss
Preservation of Property	\$10,000 expense/60 days
Fire Department Service Charge	\$ 5,000
Pollutant Cleanup and Removal	\$ 20,000
Security Guard Coverage	\$ 5,000
Lock Replacement	\$ 5,000
Fire Extinguisher Recharge	Expenses incurred to recharge portable fire extinguishers that have been used to fight a fire
Business Income and Extra Expense	\$ 100,000
Computer, Computer Data & Media – including Business Income and Extra Expense	\$ 50,000
Water Back-up of Sewers & Drains	\$ 50,000
Fine Arts Coverage	\$ 10,000
Spoilage or Contamination by a Refrigerant	\$ 10,000
Utility Services – Direct Damage	\$ 5,000
Business Personal Property – Seasonal Increase	25% automatic increase for seasonal variations/\$1,000 deductible
False Pretense	90% of the amount of the determined loss/\$1,000 deductible
Tenant's Glass Coverage	Included under Business Personal Property
Newly Acquired or Constructed Property – Buildings	\$ 500,000/90 days
Newly Acquired or Constructed Property – Business Personal Property	\$ 500,000/90 days
Personal Effects and Property of Others	\$ 10,000
Valuable Papers and Records	\$ 50,000
Property Off-Premises	\$ 50,000
Outdoor Property	\$ 25,000/\$500 for any one tree, shrub or plant
Accounts Receivable	\$ 100,000
Reward Coverage	\$ 5,000
Ordinance or Law	\$ 100,000
Inventory and Appraisal	\$ 2,000
Furs, Fur Garments, Garments Trimmed with Fur	\$ 10,000

Coverage Summary – Please refer to the applicable Coverage Section for Full Terms and Conditions	
Coverage/Modification	Limit
Jewelry, Watches, Watch Movements, Jewels, Pearls, Precious and Semi-precious Stones, Bullion, Gold, Silver, Platinum and Other Precious Alloys or Metals	\$ 10,000
Patterns, Dies, Molds and Forms	\$ 10,000
Property in Transit	\$ 100,000
Employee Theft	\$ 100,000
Forgery or Alteration	\$ 10,000
Money and Securities	\$ 10,000 inside the premises/\$10,000 outside the premises
Computer and Funds Transfer Fraud	\$ 10,000
Money Orders and Counterfeit Money	\$ 10,000

The **BUSINESS AND PERSONAL PROPERTY COVERAGE FORM** is amended as follows:

A. The following revisions apply to A. Coverage, 1. Covered Property, a. Building:

1. Item (2) is deleted and replaced with the following:
 - (2) Fixtures, including outdoor fixtures, and light standards owned by you and within 1,000 feet of the covered building.
2. Item (5)(b) is deleted and replaced with the following, if not covered by other insurance:
 - (b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making additions, alterations or repairs to the building or structure.
3. The following is added:

Outdoor Signs which are attached or detached from the covered building.

B. Paragraph A. Coverage, 1. Covered Property, b. Your Business Personal Property is deleted and replaced by the following:

- b. **Your Business Personal Property** consists of the following property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the building or structure or within 1,000 feet of the premises described in the Declarations, whichever is greater:
 - (1) Furniture and fixtures;
 - (2) Machinery and equipment;
 - (3) "Stock";
 - (4) All other personal property owned by you and used in your business;
 - (5) Labor, materials or services furnished or arranged by you on personal property of others;
 - (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;
 - (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others;
 - (8) Above ground dispensers and pumps used for dispensing gasoline, diesel, oil, transmission, hydraulic or other fluids necessary for the operation of a motor vehicle; and
 - (9) Your outdoor signs and outdoor signs for which you have a contractual responsibility to insure unless otherwise provided for under Building coverage.

C. The following revisions apply to **A. Coverage, 4. Additional Coverages, a. Debris Removal**:

1. Item **(3)(b)** is deleted and replaced with the following:

(b) Subject to **(a)** above, the amount we will pay for debris removal expense is limited to 30% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.

2. Item **(4)(b)** is deleted and replaced with the following:

(b) The actual debris removal expense exceeds 30% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. Therefore, if **(4)(a)** and/or **(4)(b)** applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit Of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

D. Paragraph **A. Coverage, 4. Additional Coverages, b. Preservation Of Property** is deleted and replaced with the following:

b. Preservation Of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

(1) While it is being moved or while temporarily stored at another location; and

(2) Only if the loss or damage occurs within sixty (60) days after the property is first moved.

We will pay up to \$10,000 for expenses you incur to move your property to a temporary location in order to protect it from loss or damage caused by a Covered Cause of Loss.

E. Paragraph **A. Coverage, 4. Additional Coverages, c. Fire Department Service Charge** is revised to increase the amount we will pay from \$1,000 to \$5,000.

F. Paragraph **A. Coverage, 4. Additional Coverages, d. Pollutant Clean-up And Removal** is revised to increase the amount we will pay from \$10,000 to \$20,000.

G. For the purposes of this endorsement, the following items are added to **A. Coverage, 4. Additional Coverages**:

Security Guard Coverage

We will pay up to \$5,000 for the expenses you incur to hire a licensed private security guard or off-duty law enforcement officer in order to protect the public or your property from hazardous conditions which result from a Covered Cause of Loss. This is an additional amount of insurance and no deductible applies to this Additional Coverage.

Lock Replacement

We will pay up to \$5,000 for the expenses you incur to repair or replace the building door locks or tumblers at your described premises due to theft of your door keys. This is an additional amount of insurance and no deductible applies to this Additional Coverage.

Fire Extinguisher Recharge

We will pay the expenses you incur to recharge portable fire extinguishers that have been used to fight a fire at the described premises. This is an additional amount of insurance and no deductible applies to this Additional Coverage.

Business Income And Extra Expense Coverage

(1) Business Income

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage by a Covered Cause of Loss to covered property at the premises described in the Declarations, including personal property in the open (or within in a vehicle) within 1,000 of the described premises.

With respects to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises means:

- (a) The portion of the building which you rent, lease or occupy;
- (b) The area within 1,000 feet of the building or within 1,000 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

We will only pay for loss of Business Income that occurs within twelve (12) consecutive months after the date of direct physical loss or damage.

Business Income means the:

- (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred. For manufacturing risks, Net Income includes the net sales value of production; and
- (b) Continuing normal operating expenses incurred, including payroll.

Rental Value means business income that consists of:

- (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value or any portion of the described premises which is occupied by you; and
- (b) Continuing normal operating expenses incurred in connection with that premises, including:
 - (i) Payroll; and
 - (ii) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

(2) Extra Expense

Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from the **CAUSES OF LOSS – SPECIAL FORM**.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (a) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and cost to equip and operate the replacement location or temporary location; or
- (b) Minimize the "suspension" of business if you cannot continue "operations".

(3) Additional Coverage - Utility Services

Your coverage for Business Income and/or Extra Expense as provided and limited in this endorsement is extended to apply to a "suspension" of "operations" at the described premises caused by an interruption in "utility services" to that premises. The interruption in utility service must result from direct physical loss or damage caused by or resulting from a Covered Cause of Loss in the **CAUSES OF LOSS – SPECIAL FORM** to the property described in the definition of "utility services".

Coverage under this endorsement does not apply to Business Income loss or Extra Expense related to interruption in utility service which causes loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning set forth in the Coverage Form to which this endorsement applies.

“Utility Services” means:

- (a) Water Supply Services, meaning the following types of property supplying water to the described premises:
 - (i) Pumping Stations; and
 - (ii) Water mains.
- (b) Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facilities.

Coverage under this endorsement does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.

- (c) Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:
 - (i) Communication transmission lines, including overhead communication transmission lines and optic fiber transmission lines. The term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.
 - (ii) Coaxial cables; and
 - (iii) Microwave radio relays except satellites.
- (d) Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:
 - (i) Utility generating plants;
 - (ii) Switching stations;
 - (iii) Substations;
 - (iv) Transformers; and
 - (v) Transmission lines, including overhead transmission lines.

(4) Covered Causes of Loss

Business Income and Extra Expense coverage as provided by this endorsement is subject to the covered causes of loss, exclusions and limitations of the **CAUSES OF LOSS – SPECIAL FORM**.

(5) Additional Limitations – Interruption Of Computer Operations

- (a) Coverage for Business Income does not apply when a “suspension” of “operations” is caused by destruction or corruption of electronic data, or any loss or damage to electronic data.
- (b) Coverage for Extra Expense does not apply when action is taken to avoid or minimize a “suspension” of “operations” caused by destruction or corruption of electronic data, or any loss or damage to electronic data.

- (c) Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
- (d) This Additional Limitation does not apply when loss or damage to electronic data involves only electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

(6) Limit of Insurance

The most we will pay for loss in any one (1) occurrence under this Additional Coverage is \$100,000 for any one (1) occurrence.

This is an additional amount of insurance and no deductible applies to this coverage.

(7) Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- (a) Pay its chosen appraiser; and
- (b) Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

Duties In The Event Of Loss

You must see that the following are done in the event of loss:

- (a) Notify the police if a law may have been broken.
- (b) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (c) As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.
- (d) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit Of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a **Covered Cause of Loss**. Also, if feasible, set the damage property aside and in the best possible order for examination.
- (e) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
- (f) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within sixty (60) days after our request. We will supply you with the necessary forms.
- (g) Cooperate with us in the investigation or settlement of the claim.

- (h) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

Loss Determination

The amount of Business Income loss will be determined based on:

- (a) The Net Income of the business before the direct physical loss or damage occurred;
- (b) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (c) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (d) Other relevant sources of information, including:
 - (i) Your financial records and accounting procedures;
 - (ii) Bills, invoices and other vouchers; and
 - (iii) Deeds, liens or contracts.

The amount of Extra Expense will be determined based on:

- (a) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (i) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (ii) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
- (b) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

Resumption Of Operations

We will reduce the amount of your:

- (a) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- (b) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

Loss Payment

We will pay for covered loss within thirty (30) days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and;

- (a) We have reached agreement with you on the amount of loss; or
- (b) An appraisal award has been made.

(8) Definitions

"Operations" means:

- (a) Your business activities occurring at the described premises; and
- (b) The tenantability of the described premises, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

"Period of Restoration" means the period of time that:

- (a) Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
- (b) Ends on the earlier of:
 - (i) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (ii) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period due to the enforcement of any ordinance or law that:

- (a) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (b) Requires any insured or others to test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of the policy will not cut short the "period of restoration".

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

"Rental Value" means Business Income that consists of:

- (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
- (b) Continuing normal operating expenses incurred in connection with that premises, including:
 - (i) Payroll; and
 - (ii) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

"Suspension" means;

- (a) The slowdown or cessation of your business activities; or
- (b) That a part of all of the described premises is rendered untenable, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

Computer and Electronic Data Coverage

- (1) Paragraph A. Coverage, 4. Additional Coverages, f. Electronic Data of the Building And Personal Property Coverage Form is deleted and replaced by the following:

Computer and Electronic Data Coverage

- (1) Subject to the terms and conditions of Building and Personal Property Coverage Form, except as modified below, we will pay the cost to replace or restore your "computer" and "electronic data" which has been damaged, destroyed or corrupted by a Covered Cause of Loss.

This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.

To the extent that "electronic data" is not replaced or restored; the loss will be valued at the cost of replacement of media on which the "electronic data was stored, with blank media of substantially identical type.

- (2) This Additional Coverage is subject to the provisions of the **CAUSES OF LOSS – SPECIAL FORM** except as follows:
- (a) Paragraph B. **Exclusions, 1.e. Utility Services** does not apply to this Additional Coverage;
 - (b) Paragraph B. **Exclusions, 2.a.** does not apply to this Additional Coverage; and
 - (c) Covered Causes of Loss includes the following:
 - (i) Power failure, power surge, lightning and artificially generated electrical current; and
 - (ii) A virus, harmful code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation.
- (3) The most we will pay under this Additional Coverage is \$50,000 for any one (1) occurrence; however:
- (a) The most we will pay under this Additional Coverage for loss or damage caused by a virus, harmful code or similar instruction introduced into or enacted on the computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation in any one (1) policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved, is \$50,000. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence which begins in one (1) policy year and continues or results in additional loss or damage in subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began; and
 - (b) The most we will pay under this Additional Coverage for all covered causes of loss other than loss or damage caused by a virus, harmful code or similar instruction introduced into or enacted on the computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation or vandalism is \$50,000 per insured location per occurrence. With respect to an occurrence which begins in one (1) policy year and continues or results in additional loss or damage in subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.
- (2) The following Coverage Extension is added to **5. Coverage Extensions** of the Building And Personal Property Coverage Form:
- Interruption of Computer Operations**
- (a) You may extend this insurance to pay for the actual loss of Business Income you sustain and Extra Expense you incur during the "period of restoration" after a "suspension" of "operations" due to loss, corruption or destruction of "electronic data" by a Covered Cause of Loss including loss caused by power failure, lightning and artificially generated electricity whether or not the electricity is supplied to the described premises by a "utility service" not on the described premises.

Paragraph B. **EXCLUSIONS, e. Utility Services** of the **CAUSES OF LOSS – SPECIAL FORM** does not apply to this Coverage Extension.
 - (b) The most we will pay under this Coverage Extension is \$50,000 for any one (1) occurrence; however:

- (i) For loss sustained and expense incurred as a result of a virus, harmful code or similar instruction introduced into or enacted on the computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation in any one (1) policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved, is \$50,000. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence which begins in one (1) policy year and continues or results in additional loss or damage in subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.
- (ii) The most we will pay under this Coverage Extension for loss sustained and expense incurred as a result of any Covered Causes of Loss other than loss or damage caused by a virus, harmful code or similar instruction introduced into or enacted on the computer system (including "electronic data") or a network to which it is connected, designed to damage, destroy any part of the system, or disrupt its normal operation or vandalism is \$50,000 per insured location per occurrence. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to an interruption which begins in one (1) policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained in the policy year in which the interruption began.

This is an additional amount of insurance.

(3) Definitions:

"Electronic Data" means information, facts or computer programs stored as or on, created or used on or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of "electronic data", means a set of related electronic instructions which direct the operations and functions of a "computer" or device connected to it, which enable the computer or device to received, process, store, retrieve or send data.

"Utility Service" means utility generating plants, switching stations, substations, transformers and transmission lines that supply electricity to the described premises.

"Computer" means programmable electronic equipment that is used to store, retrieve and process data; and associated peripheral equipment that provides communications, including input and output functions such as printing and auxiliary functions such as data transmissions.

Water Back-up of Sewers and Drains

- (1) We will pay for direct physical loss or damage to Covered Property, caused by or resulting from discharge of water or waterborne material from a sewer, drain or sump located at the premises described in the Declarations, provided such discharge is not induced by flood or flood-related conditions.

The aforementioned references to flood include surface water, waves (including tidal wave and tsunami), tides, tidal water, and overflow of any body of water, including storm surge.

For the purpose of this endorsement, the term drain includes a roof drain and related fixtures.

- (2) There is no coverage under this endorsement if:
- (a) The discharge results from an insured's failure to perform routine maintenance or repair necessary to keep a sewer or drain or a sump, sump pump or related equipment free from obstruction and in proper working condition. This limitation does not apply to sudden mechanical breakdown of a sump pump or its related equipment, provided the breakdown is not the result of an insured's negligence; or
 - (b) Sump pump failure is caused by or results from failure of power, unless this policy is endorsed to cover power failure affecting the described premises.
- (3) Section B. Exclusions, g. Water of the CAUSES OF LOSS – SPECIAL FORM does not apply to this Additional Coverage, to the extent it may conflict.

- (4) We will not pay the cost of repairing or replacing a sewer, drain, sump, sump pump or any related parts or equipment.
- (5) The most we will pay under this endorsement, for the total of all covered loss and expense caused by all occurrences in a twelve (12) month period (starting with the beginning of the present annual policy period), regardless of the number of occurrences during that period of time is \$50,000. Thus, if the first occurrence does not exhaust the limit, then the balance of that limit is available for a subsequent occurrence. If an occurrence begins during one (1) annual policy period, and ends during the following annual policy period, any limit applicable to the following annual policy period will not apply to that occurrence.
- (6) This coverage does not increase the limits of liability for Building or Personal Property stated in the Declarations.
- (7) All policy provisions apply to the coverage provided under this endorsement, including the Deductible for direct physical loss or damage. If an occurrence results in loss payable only under this endorsement, the Deductible applicable to Fire will apply to this endorsement. But if an occurrence also causes other loss or damage that is paid under this policy, a separate Deductible will not apply to the loss or damage covered under this endorsement.

Fine Arts Coverage

- (1) We will pay for direct physical loss or damage to "fine arts" located at the described premises from any Covered Cause of Loss.
- (2) We will not pay for loss or damage caused directly or indirectly by any repairing, restoration or retouching. You must ensure that the "fine arts", when being moved or stored, are handled by competent packers.
- (3) The most we will pay for any one (1) occurrence under Fine Arts Coverage is \$10,000. This is an additional amount of insurance.
- (4) We will determine the value of "fine arts" at replacement cost (without deduction for depreciation).
- (5) "Fine arts" means any of the following types of property that is your property or property of others in your care, custody or control;
 - (a) Painting, etchings, drawings;
 - (b) Tapestries, rugs, weavings;
 - (c) Art glass, porcelain, pottery;
 - (d) Statuary, marble, bronzes;
 - (e) Antique furniture;
 - (f) Rare books, manuscripts; and
 - (g) Other works of art or rarity, historical value or artistic merit.

Spoilage or Contamination by a Refrigerant

We will pay for direct physical loss or damage to contents of freezer or refrigeration units at the premises described in the Declarations caused by:

- (1) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment.
- (2) Contamination by a refrigerant; and
- (3) Change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

However, coverage does not apply if you have failed to exercise reasonable care in inspecting and maintaining the refrigeration equipment. If interruption of electrical service or mechanical breakdown is known, you must use all reasonable means to protect the covered property from further damage.

The most we will pay for any one (1) occurrence under Spoilage or Contamination by a Refrigerant is \$10,000. This is an additional amount of insurance.

Utility Services – Direct Damage

- (1) We will pay for loss of or damage to Covered Property at the premises described in the Declarations, caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage caused by a **Covered Cause of Loss** of "utility services". If such property is located outside a covered building described in the Declarations.
- (2) Coverage under this endorsement for loss or damage to Covered Property does not apply to loss or damage to "electronic data", including destruction or corruption of "electronic data". "Electronic data" shall have the same meaning as set forth in **A. Coverage, 2. Property Not Covered, n.** of the Building and Personal Property Coverage Form.
- (3) "Utility Services" means:
 - (a) Water Supply Services, meaning the following types of property supplying water to the described premises:
 - (i) Pumping stations; and
 - (ii) Water mains.
 - (b) Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:
 - (i) Communication transmission lines, including optic fiber transmission lines;
 - (ii) Coaxial cables; and
 - (iii) Microwave radio relays except satellites; and
 - (iv) Overhead transmission lines.
 - (c) Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:
 - (i) Utility generating plants;
 - (ii) Switching stations;
 - (iii) Substations;
 - (iv) Transformers;
 - (v) Transmission lines; and
 - (vi) Overhead Transmission lines.

The most we will pay under this Additional Coverage is \$5,000 in any one (1) occurrence. This is an additional amount of insurance.

Business Personal Property – Seasonal Increase

- (1) The Limit Of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations.
- (2) This increase will apply only if the Limit Of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:
 - (a) The twelve (12) months immediately preceding the date of loss or damage occurs, or
 - (b) The period of time you have been in business as of the date the loss or damage occurs.

False Pretense

- (1) We will pay for loss caused when you, any of your partners, any of your employees (including leased employees) or anyone else to whom you have entrusted any property are induced to voluntarily part with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- (2) Each "occurrence" of loss or damage shall be adjusted separately and we will pay 90% of the amount of the determined loss after first applying a deductible of \$1,000.
- (3) Section B. **Exclusions**, item 2.i. of the **CAUSES OF LOSS – SPECIAL FORM**, does not apply to this Additional Coverage.
- (4) **For the purposes of this coverage**, "Occurrence" means an act or series of related acts involving one (1) or more persons.

Tenant's Glass Coverage

If you are a tenant and no Limit Of Insurance is shown in the Declarations, we will pay for direct physical loss of or damage to glass, including lettering or ornamentation that is part of the exterior of a building or structure at the described premises. We will also pay for direct physical loss or damage to items of glass that are permanently affixed to the interior walls, floors or ceilings of a building or structure at the described premises. The glass must be owned by you, or owned by others but in your care, custody or control for which you have a contractual responsibility to insure. We will also pay for necessary:

- (1) Expenses incurred to put up temporary plates or board up openings;
- (2) Repair or replacement of encasing frames; and
- (3) Expenses incurred to remove or replace obstructions.

The most we will pay under this Additional Coverage for any one (1) occurrence is the Business Personal Property Limit of insurance shown in the Declarations.

The following exclusions from section B. **Exclusions** of the **CAUSES OF LOSS – SPECIAL FORM** apply to this Additional Coverage:

- (1) Exclusion 1.b. Earth Movement;
- (2) Exclusion 1.c. Government Action;
- (3) Exclusion 1.d. Nuclear Hazard;
- (4) Exclusion 1.f. War and Military Action; and
- (5) Exclusion 1.g. Water

Additionally, we will not pay for loss or damage caused by or resulting from:

- (1) Wear and tear;
- (2) Hidden or latent defect;
- (3) Corrosion; or
- (4) Rust.

No other exclusions apply.

H. For the purposes of this endorsement, the following revisions apply to A. Coverage, 5. Coverage Extensions of the Building And Personal Property Coverage Form:

1. Paragraph a. **Newly Acquired Or Constructed Property** is deleted and replaced by the following:
 - a. Newly Acquired or Constructed Property
 - (1) **Buildings**

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new building while being built on the Described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Used as a warehouse.

The most we will pay for loss or damage under this Extension is \$500,000 at each building.

(2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
 - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
 - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

The most we will pay for loss or damage under this Extension is \$500,000 at each building.

- (b) This Extension does not apply to:
 - (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
 - (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 90 days after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction on that part of the building that would qualify as covered property.

2. For the purposes of this endorsement, Paragraph **b. Personal Effects and Property of Others** is deleted and replaced with the following:

b. Personal Effects and Property of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$10,000 at each described premises for any one (1) policy period.

Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

3. The following amendment applies to **c. Valuable Papers And Records (other than Electronic Data)**:

The most we will pay for any one (1) occurrence under this Extension is changed from \$2,500 to \$50,000 at each described premises.

4. Paragraph d. **Property Off-premises** is deleted and replaced with the following:

d. Property Off-premises

You may extend the insurance provided by this Coverage Form to apply to your Covered Property, including "stock" while it is away from the described premise, if it is:

- (1) Temporarily at a location you do not own, lease or operate;
- (2) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
- (3) At any fair, trade show or exhibition.

The most we will pay for any one (1) occurrence under this Extension is \$50,000.

5. Paragraph e. **Outdoor Property** is deleted and replaced with the following:

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), including debris removal expenses, caused by or resulting from any of the following causes of loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion;
- (5) Aircraft;
- (6) Vandalism;
- (7) Theft;
- (8) Vehicles;
- (9) Windstorm; or
- (10) Hail

The most we will pay under this extension is \$25,000, but not more than \$500 for any one (1) tree, shrub or plant. These limits apply to any one (1) occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants, which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

I. The following items are added to **A. Coverage, 5. Coverage Extensions** of the Building And Personal Property Coverage Form:

Accounts Receivable

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) All amounts due from your customers that you are unable to collect;
- (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amount;
- (3) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage and;
- (4) Other reasonable expenses you incur to re-establish your records of accounts receivable;

That result from Covered Causes of Loss to your records of accounts receivable.

Determination of Receivables

- (1) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss, the following method will be used:
 - (a) Determine the total of the average monthly amounts of accounts receivable for the twelve (12) months immediately preceding the month in which the loss occurs; and
 - (b) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.
- (2) The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (a) The amount of the accounts for which there is no loss;
 - (b) The amount of the accounts that you are able to re-establish or collect;
 - (c) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (d) All unearned interest and service charges.

The most we will pay in any one (1) occurrence under this Extension is \$100,000.

Reward Coverage

You may extend this insurance to provide a reward for information that leads to a criminal conviction or a plea of guilty or no contest in connection with loss or damage to Coverage Property by a Covered Cause of Loss. The most we will pay under this Extension is \$5,000 regardless of the number of persons involved in providing the information.

Ordinance or Law

You may extend the insurance that applies to Buildings to apply to the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:

- (1) The construction, demolition, remodeling, renovation or repair of that part of covered Buildings damaged by a Covered Cause of Loss;

When a covered Building is damaged or destroyed by a Covered Cause of Loss and this provision applies to that property, coverage for the increased cost of construction also applies to repair or reconstruction of the following:

- (a) The cost of excavations, grading, backfilling and filling;
- (b) Foundation of the Building;
- (c) Pilings; and
- (d) Underground pipes, flues and drains.

Items (a) through (d) above are deleted from Property Not Covered, but only with respects to the coverage described in this provision.

- (2) The demolition and reconstruction of the undamaged part of covered Building Property, when that building must be totally demolished because of damage by a Covered Cause of Loss to another part of that covered Building Property; or
- (3) The remodeling, removal or replacement of the portion of the undamaged part of covered Building Property necessary to complete the remodeling, repair or replacement of that part of a covered Building damaged by a Covered Cause of Loss.

You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property stated above.

We will not pay for:

- (a) The loss in value to any covered Building due to the requirements of any ordinance or law; or
- (b) Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or;
- (c) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
- (d) Loss due to any ordinance or law that:
 - (i) You were required to comply with before the loss, even if the building was undamaged; and
 - (ii) You failed to comply with.
- (4) The most we will pay under this Extension is \$100,000 at each building in any one (1) policy period. This is an additional amount of insurance.
- (5) The following definition is added:

"Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- (6) To the extent an exclusion in the **CAUSES OF LOSS – SPECIAL FORM** may conflicts with this provision, it does not apply.

Inventory and Appraisal

You may extend this insurance to apply to the following expenses you incur to comply with the Appraisal Loss Condition.

- (a) The cost of paying your chosen appraiser; and
- (b) Your share of the other expenses of the appraisal and umpire.

The most we will pay under this Extension for any loss is \$2,000. No deductible applies to this Extension.

Section C. **Limitations** of the **CAUSES OF LOSS – SPECIAL FORM** is deleted and replaced by the following:

Section C. **LIMITATIONS**, item 3. is deleted and replaced with the following:

- 3. The special limit shown for each category, a. through d., is the total limit of loss of or damage to all property in that category. The special limit applies to any one (1) occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:
 - a. \$10,000 for furs, fur garments and garments trimmed with fur.
 - b. \$10,000 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - c. \$10,000 for patterns, dies, molds and forms.
 - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, C.3., does not apply to Business Income coverage or to Extra Expense coverage.

Section F. Additional Coverage Extensions, 1. Property in Transit of the CAUSES OF LOSS – SPECIAL FORM is deleted and replaced with the following:

1. Property in Transit

- a. You may extend the insurance provided by this Coverage Form to apply to your personal property in transit more than 1,000 feet from the described premises. Property must be in or on a motor vehicle you own, lease, operate or a motor vehicle operated by your salespersons while between points in the coverage territory;
- b. Loss or damage must be caused by or result from one (1) of the following causes of loss:
 - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
 - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for any one (1) occurrence for loss or damage under this Extension is \$100,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

For the purposes of this endorsement, the following **COMMERCIAL CRIME COVERAGES** are provided:

Various provisions in this Form restrict coverage. Read the entire Form carefully to determine rights, duties and what is or is not covered. Throughout this Form, the words "you" and "your" refer to the Named Insured shown in the Declarations.

The words "we", "us" and "our" refer to the company providing this insurance. Other words and phrases that appear in quotation marks have special meaning. Refer to Section 4. **Definitions**.

1. Insuring Agreements

Coverage is provided under the following Insuring Agreements and applies to loss that you sustain resulting directly from an "occurrence" taking place during the Policy Period shown in the Declarations, except as provided in 3. **Conditions, a. Conditional Applicable to All Insuring Agreements, (10) or (11)**, which is "discovered" by you during the Policy Period shown in the Declarations or during the period of time provided in the Extended Period To Discover Loss Condition 3. **Conditions, a. Conditional Applicable to All Insuring Agreements, (6)**:

a. Employee Theft

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

For the purposes of this insuring agreement, "theft" shall also include:

- (1) Forgery; or
- (2) Loss caused by your "employee's" unauthorized use of a credit or debit card entrusted by you to that "employee".

The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$100,000 in any one (1) policy period. This is an additional amount of insurance.

b. Forgery Or Alteration

- (1) We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:
 - (a) Made or drawn by or drawn upon you; or
 - (b) Made or drawn by one acting as your agent or that are purported to have been so made or drawn.

For the purposes of this Insuring Agreement, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

- (2) If you are sued for refusing to pay any instrument covered in Paragraph **b. Forgery Or Alteration (1)** above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense.

The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$10,000 in any one (1) occurrence. This is an additional amount of insurance.

c. Inside The Premises – Theft Of Money And Securities

We will pay for:

- (1) Loss of "money" and "securities" inside the "premises" or "financial institution premises":
- (a) Resulting directly from "theft" committed by a person present inside such "premises" or "financial institution premises"; or
 - (b) Resulting directly from disappearance or destruction.
- (2) Loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" and "securities", if you are the owner of the "premises" or are liable for damage to it.
- (3) Loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the "premises" resulting directly from an actual or attempted "theft" of, or unlawful entry into, those containers.

The most we will pay for loss in any one (1) occurrence is \$10,000 for "money" and "securities: while:

- (1) In or on the described "premises"; or
- (2) Within a "financial institution premises".

This is an additional amount of insurance.

d. Outside The Premises – Theft Of Money And Securities

We will pay for Loss of "money" and "securities" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from "theft", disappearance or destruction.

The most we will pay for loss in any one (1) occurrence is \$10,000. This is an additional amount of insurance.

e. Computer And Funds Transfer Fraud

(1) We will pay for:

(a) Loss resulting directly from a fraudulent:

- (i) Entry of "electronic data" or "computer program" into; or
- (ii) Change of "electronic data" or "computer program" within;

Any "computer system" owned, leased or operated by you, provided the fraudulent entry or fraudulent change causes, with regard to paragraphs (i) and (ii) above:

- i. "Money", "securities" or "other property" to be transferred, paid or delivered; or
- ii. Your account at a "financial institution" to be debited or deleted.

(b) Loss resulting directly from a "fraudulent instruction" directing a "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that account.

- (2) As used in Paragraph (1)(a) above, fraudulent entry or fraudulent change of "electronic data" or "computer program" shall include such entry or change made by an "employee" acting in good faith, upon a "fraudulent instruction" received from a computer software contractor who has a written agreement with you to design, implement or service "computer programs" for a "computer system" covered under this Insuring Agreement.

The most we will pay for any loss under this Additional Coverage is \$10,000 in any one occurrence. This is an additional amount of insurance.

f. Money Orders And Counterfeit Money

We will pay for loss resulting directly from your having, in good faith, accepted in exchange for merchandise, "money" or services:

- (1) Money orders issued by any post office, express company or "financial institution" that are not paid upon presentation; or
- (2) "Counterfeit money" that is acquired during the regular course of business.

The most we will pay for any loss under this Additional Coverage is \$10,000 in any one (1) occurrence. This is an additional amount of insurance.

2. Exclusions

a. This insurance does not cover:

(1) Acts Committed By You, Your Partners Or Your Members

Loss resulting from "theft" or any other dishonest act committed by:

- (a) You; or
- (b) Any of your partners or "members";

Whether acting alone or in collusion with other persons.

(2) Acts Committed By Your Employees Learned Of By You Prior To The Policy Period

Loss caused by an "employee" if the "employee had also committed "theft" or any other dishonest act prior to the effective date of this insurance and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the "employee", learned of such "theft" or dishonest act prior to the Policy Period shown in the Declarations.

(3) Acts Committed By Your Employees, Managers, Directors, Trustees Or Representatives

Loss resulting from "theft" or any other dishonest act committed by any of your "employees", "managers", directors, trustees or authorized representatives:

- (a) Whether acting alone or in collusion with other persons; or
- (b) While performing services for you or otherwise;

Except when covered under **1. Insuring Agreements, a. Employee Theft**

(4) Confidential Or Personal Information

Loss resulting from:

- (a) The disclosure or use of another person's or organization's confidential or personal information; or
- (b) The disclosure of your confidential or personal information. However, this does not apply to loss otherwise covered under this insurance that results directly from the use of your confidential or personal information.

For the purposes of this exclusion, confidential or personal information includes, but is not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

(5) Data Security Breach

Fees, costs, fines, penalties and other expenses incurred by you which are related to the access to or disclosure of another person's or organization's confidential or personal information including, but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

(6) Governmental Action

Loss resulting from seizure or destruction of property by order of a governmental authority.

(7) Indirect Loss

Loss that is an indirect result of an "occurrence" covered by this insurance including, but not limited to, loss resulting from:

- (a) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property";
- (b) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance; or
- (c) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

(8) Legal Fees, Costs And Expenses

Fees, costs and expenses incurred by you, which are related to any legal action, except when covered under **1. Insuring Agreements, b. Forgery And Alteration**

(9) Nuclear Hazard

Loss or damage resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

(10) Pollution

Loss or damage caused by or resulting from pollution. Pollution means the discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

(11) Virtual Currency

Loss involving virtual currency of any kind, by whatever name known, whether actual or fictitious including, but not limited to, digital currency, crypto currency or any other type of electronic currency.

(12) War And Military Action

Loss or damage resulting from:

- (a) War, including undeclared or civil war;
- (b) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (c) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

b. Section 1. **Insuring Agreements, a. Forgery Or Alteration** does not cover:

(1) Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (a) An inventory computation; or
- (b) A profit and loss computation.

However, where you establish wholly apart from such computations that may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

(2) Trading

Loss resulting from trading, whether in your name or in a genuine or fictitious account.

(3) Warehouse Receipts

Loss resulting from the fraudulent or dishonest signing, issuing, cancelling or failing to cancel, a warehouse receipt of any papers connected with it.

c. Section 1. Insuring Agreements, c. Inside The Premises – Theft Of Money And Securities and d. Outside The Premises – Theft Of Money and Securities do not cover:

(1) Accounting Or Arithmetical Errors Or Omissions

Loss resulting from accounting or arithmetical errors or omissions.

(2) Exchanges Or Purchases

Loss resulting from the giving or surrendering of property in any exchange or purchase.

(3) Fire

Loss or damage resulting from fire, however caused, except:

(a) Loss of or damage to "money" and "securities"; and

(b) Loss from damage to a safe or vault.

(4) Money Operated Devices

Loss of property contained in any money operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

(5) Motor Vehicles Or Equipment And Accessories

Loss of or damage to motor vehicles, trailers or semitrailers or equipment and accessories attached to them.

(6) Transfer Or Surrender Of Property

(a) Loss of or damage to property after it has been transferred or surrendered to a person or place outside the "premises" or "financial institution premises";

(i) On the basis of unauthorized instructions; or

(ii) As a result of a threat including, but not limited to:

i. A threat to do bodily harm to any person;

ii. A threat to do damage to any property;

iii. A threat to introduce a denial of service attack into any "computer system";

iv. A threat to introduce a virus or other malicious instruction into any "computer system" which is designed to damage, destroy or corrupt "electronic data" or "computer programs" stored within the "computer system";

v. A threat to contaminate, pollute or render substandard your products or goods; or

vi. A threat to disseminate, divulge or utilize:

i. Your confidential information;

ii. Confidential or personal information of another person or organization; or

iii. Weaknesses in the source code within any "computer system".

(b) However, this exclusion does not apply under **1. Insuring Agreement, d. Outside The Premises – Theft Of Money And Securities** to loss of "money", or "securities" while outside the "premises" in the care and custody of a "messenger" if you:

(i) Had no knowledge of any threat at the time the conveyance began; or

(ii) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

(7) Vandalism

Loss from damage to the "premises" or its exterior, or to any safe, vault, cash register, cash box, cash drawer or "other property" by vandalism or malicious mischief.

(8) Voluntary Parting Of Title To Or Possession Of Property

Loss resulting from your, or anyone else acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

d. Insuring Agreement 1. **Insuring Agreements, e. Computer And Funds Transfer Fraud** does not cover:

(1) Authorized Access

Loss resulting from a fraudulent:

- (a) Entry of "electronic data" or "computer program" into; or
- (b) Change of "electronic data" or "computer program" within;

Any "computer system" owned, leased or operated by you by a person or organization with authorized access to that "computer system", except when covered under **1. Insuring Agreements, e. Computer And Funds Transfer Fraud (2)**.

(2) Credit Card Transactions

Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

(3) Exchanges Or Purchases

Loss resulting from the giving or surrendering of property in any exchange or purchase.

(4) Fraudulent Instructions

Loss resulting from an "employee" or "financial institution" acting upon any instruction to;

- (a) Transfer, pay or deliver "money", "securities" or "other property"; or
- (b) Debit or delete your account;

Which instruction proves to be fraudulent, except when covered under Insuring Agreement **1. Insuring Agreement, e. Computer And Funds Transfer Fraud (1)(b) or (2)**.

(5) Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (a) An inventory computation; or
- (b) A profit and loss computation.

3. Conditions

The following conditions apply in addition to the Common Policy Conditions:

a. Conditions Applicable To All Insuring Agreements

(1) Additional Premises Or Employees

If, while this insurance is in force, you establish any additional "premises" or hire additional "employees", other than through consolidation or merger with, or purchase or acquisition of assets or liabilities of, another entity, such "premises" and "employees" shall automatically be covered under this insurance. Notice to us of an increase in the number of "premises" or "employees" is not required and no additional premium will be charged for the remainder of the Policy Period shown in the Declarations.

(2) Concealment, Misrepresentation Or Fraud

This insurance is void in any case of fraud by you as it relates to this insurance at any time. It is also void if you or any other Insured, at any time, intentionally conceals or misrepresents a material fact concerning:

- (c) An "employee" of any Insured is considered to be an "employee" of every insured.
- (d) If this insurance or any of its coverages are cancelled as to any Insured, loss sustained by that Insured is covered only if it is "discovered" by you no later than one (1) year from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by that Insured, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
- (e) We will not pay more for loss sustained by more than one (1) Insured than the amount we would pay if all such loss had been sustained by one (1) Insured.

(8) Legal Action Against Us

You may not bring any legal action against us involving loss:

- (a) Unless you have complied with all the terms of this insurance;
- (b) Until 90 days after you have filed proof of loss with us; and
- (c) Unless brought within two (2) years from the date you "discovered" the loss.

If any limitation in this condition is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

(9) Liberalization

If we adopt any revision that would broaden the coverage under this insurance without additional premium within 45 days prior to or during the Policy Period shown in the Declarations, the broadened coverage will immediately apply to this insurance.

(10) Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate

(a) Loss Sustained Partly During This Insurance And Partly During Prior Insurance

If you "discover" a loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place:

- (i) Partly during the Policy Period shown in the Declarations; and
- (ii) Partly during the policy period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest;

and this insurance became effective at the time of cancellation of the prior insurance, we will first settle the amount of loss that you sustained during this Policy Period. We will then settle the remaining amount of loss that you sustained during the policy period(s) of the prior insurance.

(b) Loss Sustained Entirely During Prior Insurance

If you "discover" a loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place entirely during the policy period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest, we will pay for the loss, provided:

- (i) This insurance became effective at the time of cancellation of the prior insurance; and
- (ii) The loss would have been covered under this Insurance had it been in effect at the time of the "occurrence".

we will first settle the amount of loss that you sustained during the most recent prior insurance. We will then settle any remaining amount of loss that you sustained during the policy period(s) of any other prior insurance.

- (c) In settling loss under Paragraphs (10)(a) and (10)(b) above, the most we will pay for the entire loss is the highest single Limit Of Insurance applicable during the period of loss, whether such limit was written under this insurance or was written under the prior insurance issued by us.

(11) Loss Sustained During Prior Insurance Not Issued By Us Or Any Affiliate

- (a) If you "discover" a loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place during the policy period of any prior cancelled insurance that was issued to you or a predecessor in interest by another company, and the period of time to discover loss under that insurance had expired, we will pay for the loss under this insurance, provided:
- (i) This insurance became effective at the time of cancellation of the prior insurance; and
 - (ii) The loss would have been covered under this insurance had it been in effect at the time of the occurrence".
- (b) In settling a loss subject to this condition, the most we will pay for the entire loss is the lesser of the Limits of Insurance applicable during the period of loss, whether such limit was written under this insurance or was written under the prior cancelled insurance.
- (c) The insurance provided under this condition is subject to the following:
- (i) If loss covered under this condition is also partially covered under **3. Conditions, a. Conditions Applicable to All Insuring Agreements, (10) Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate**, the amount recoverable under this condition is part of, not in addition to the amount recoverable under **3. Conditions, a. Conditions Applicable to All Insuring Agreements, (10) Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate**.
 - (ii) For loss covered under this condition that is not subject to Paragraph **(11)(c)(i)**, the amount recoverable under this condition is part of, not in addition to, the Limit Of Insurance applicable to the loss covered under this insurance and is limited to the lesser of the amount recoverable under:
 - i. This insurance as of its effective date; or
 - ii. The prior cancelled insurance had it remained in effect.

(12) Other Insurance

If other valid and collectible insurance is available to you for loss covered under this insurance, our obligations are limited as follows:

(a) Primary Insurance

When this insurance is written as primary insurance, and:

- (i) You have other insurance subject to the same terms and conditions as this insurance, we will pay our share of the covered loss. Our share is the proportion that the applicable Limit Of Insurance shown in the Coverage Summary bears to the total limit of all insurance covering the same loss.
- (ii) You have other insurance covering the same loss other than that described in Paragraph **12.(a)(i)** above, we will only pay for the amount of loss that exceeds the Limit Of Insurance of that other Insurance and Deductible amount of that other insurance, whether you can collect on it or not: or whichever is greater. Our payment for loss is subject to the terms and conditions of this insurance.

(b) Excess Insurance

- (i) When this insurance is written excess over other insurance, we will only pay for the amount of loss that exceeds the Limit Of Insurance and Deductible amount of that other insurance, whether you can collect on it or not. Our payment for loss is subject to the terms and conditions of this insurance.
- (ii) However, if loss covered under this insurance is subject to a Deductible amount, we will reduce the Deductible amount shown in the Declarations by the sum total of all such other insurance plus any Deductible amount applicable to that other insurance.

- (a) This insurance;
- (b) The property covered under this insurance;
- (c) Your interest in the property covered under this insurance; or
- (d) A claim under this insurance.

(3) Consolidation – Merger Or Acquisition

If, you consolidate or merge with, or purchase or acquire the assets or liabilities of, another entity:

- (a) You must give us written notice as soon as possible and obtain our written consent to extend the coverage provided by this insurance to such consolidated or merged entity or such purchased or acquired assets or liabilities. We may condition our consent by requiring payment of an additional premium; but
- (b) For the first 90 days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, the coverage provided by this insurance shall apply to such consolidated or merged entity or such purchased or acquired assets or liabilities, provided that all "occurrences" causing or contributing to a loss involving such consolidation, merger or purchase or acquisition of assets or liabilities, must take place after the effective date of such consolidation, merger, purchase, or acquisition of assets or liabilities.

(4) Cooperation

You must cooperate with us in all matters pertaining to this insurance as stated in its terms and conditions.

(5) Duties In The Event Of Loss

After you "discover" a loss or a situation that may result in loss of or damage to "money", "securities" or "other property", you must:

- (a) Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under **1. Insuring Agreement, a. Employee Theft or b. Forgery or Alteration**) involves a violation of law, you must also notify the local law enforcement authorities;
- (b) Give us a detailed, sworn proof of loss within one hundred twenty (120) days;
- (c) Cooperate with us in the investigation and settlement of any claim;
- (d) Produce for our examination all pertinent records;
- (e) Submit to examination under oath at our request and give us a signed statement of your answers; and
- (f) Secure all of your rights of recovery against any person or organization responsible for the loss and do nothing to impair those rights.

(6) Extended Period To Discover Loss

We will pay for loss that you sustained prior to the effective date of cancellation of this insurance, which is "discovered" by you no later than one (1) year from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

(7) Joint Insured

- (a) If more than one (1) Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.
- (b) If any Insured, or partner, "member", "manager", officer, director or trustee of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.

(13) Ownership Of Property; Interests Covered

The property covered under this insurance is limited to property:

- (a) That you own or lease;
- (b) That is held by you in any capacity; or
- (c) For which you are legally liable, provided you were liable for the property prior to the time the loss was sustained.

However, this is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this insurance must be presented by you.

(14) Records

You must keep records of all property covered under this insurance so we can verify the amount of any loss.

(15) Recoveries

(a) Any recoveries, whether effected before or after any payment under this insurance, whether made by us or by you, shall be applied net of the expense of such recovery:

- (i) First, to you in satisfaction of your covered loss in excess of the amount paid under this insurance;
- (ii) Second, to us in satisfaction of amount paid in settlements of your claim;
- (iii) Third, to you in satisfaction of any Deductible amount; and
- (iv) Fourth, to you in satisfaction of any loss not covered under this insurance.

(b) Recoveries do not include any recovery:

- (i) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
- (ii) Of original "securities" after duplicates of them have been issued.

(16) Territory

This insurance covers loss that you sustain resulting directly from an "occurrence" taking place within the United States of America (including its territories and possessions), Puerto Rico and Canada.

(17) Transfer Of Your Rights Of Recovery Against Others To Us

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

(18) Valuation – Settlement

The value of any loss for purposes of coverage under this insurance shall be determined as follows:

(a) Money

Loss of "money" but only up to and including its face value. We will, at your option, pay for loss of "money" issued by any country other than the United States of America:

- (i) At face value in the "money" issued by that country; or
- (ii) In the United States of America dollar equivalent, determined by the rate of exchange published in the Wall Street Journal on the day the loss was "discovered".

(b) Securities

Loss of "securities" but only up to and including their value at the close of business on the day the loss was "discovered". We may, at our option:

- (i) Pay the market value of such "securities" or replace them in kind, in which event you must assign to us all rights, title and interest in and to those "securities", or
- (ii) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities".

However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

- i. Market value of the "securities" at the close of business on the day the loss was "discovered"; or
- ii. Limit Of Insurance applicable to the "securities".

b. Conditions Applicable To 1. Insuring Agreements, a. Employee Theft

(1) Termination As To Any Employee

This Insuring Agreement terminates as to any "employee";

(a) As soon as:

- (i) You; or
- (ii) Any of your partners, "members", "managers", officers, directors or trustees not in collusion with the "employee";

Learn of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you; or

- (b) On the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing.**

We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

(2) Territory

We will pay for loss caused by any "employee" while temporarily outside the territory specified in **3. Conditions, a. Conditions Applicable To All Insuring Agreements, (16) Territory** above, except in any territory that is subject to trade or other economic sanction or embargo by the United States of America, for a period of not more than 90 consecutive days.

c. Conditions Applicable To 1. Insuring Agreements, b. Forgery Or Alteration

(1) Electronic And Mechanical Signatures

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

(2) Proof of Loss

You must include with your proof of loss any instrument involved in that loss or, if that is not possible, an affidavit setting forth the amount and the cause of loss.

(3) Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world, except in any territory that is subject to trade or other economic sanction or embargo by the United States of America. **3. Conditions, a. Conditions Applicable To All Insuring Agreements, (16) Territory** above does not apply to **1. Insuring Agreement, b. Forgery Or Alteration**.

d. Conditions Applicable To 1. Insuring Agreements d. Outside The Premises – Theft Of Money And Securities

(1) Armored Motor Vehicle Companies

Under **1. Insuring Agreements d. Outside The Premises – Theft Of Money And Securities** above, we will only pay for the amount of loss you cannot recover:

- (a) Under your contract with the armored motor vehicle company; and
- (b) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

e. Conditions Applicable To 1. Insuring Agreements, e. Computer And Funds Transfer Fraud

(1) Special Limit of Insurance For Specified Property

We will pay up to \$5,000 for any one (1) "occurrence" of loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

(2) Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world, except in any territory that is subject to trade or other economic sanction or embargo by the United States of America. Territory Condition a.1.(16) above does not apply to **1. Insurance Agreements, e. Computer And Funds Transfer Fraud**.

4. Definitions

- a. "Computer program" means a set of related electronic instructions, which direct the operation and function of a computer or devices connected to it, which enable the computer or devices to receive, process, store or send "electronic data".
- b. "Computer system" means:
 - (1) Computers, including Personal Digital Assistants (PDAs) and other transportable or handheld devices, electronic storage devices and related peripheral components;
 - (2) Systems and application software; and
 - (3) Related communications networks;By which "electronic data" is collected, transmitted, processed, stored or retrieved.
- c. "Counterfeit money" means an imitation of "money" which is intended to deceive and to be taken as genuine.
- d. "Custodian" means you, or any of your partners or "members", or any "employee" while having care and custody of property inside the "premises", excluding any person while acting as a "watchperson" or janitor.
- e. "Discover" or "discovered" means the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this insurance has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not be known.

"Discover" or "discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this insurance.
- f. "Electronic data" means information, facts, images or sounds stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software) on data storage devices, including hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
- g. "Employee";
 - (1) Means:
 - (a) Any natural person:
 - (i) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any dishonest act committed by the "employee".
 - (ii) Whom you compensate directly by salary, wages or commissions; and

(iii) Whom you have the right to direct and control while performing services for you:

(b) Any natural person who is furnished temporarily to you:

(i) To substitute for a permanent "employee", as defined in Paragraph **g.(1)(a)**, who is on leave; or

(ii) To meet seasonal or short-term work load conditions;

While that person is subject to your direction and control and performing services for you;

(c) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary "employee" as defined in Paragraph **g.(1)(b)**;

(d) Any natural person who is a former "employee", partner, "member", "manager", director or trustee retained by you as a consultant while performing services for you:

(e) Any natural person who is a guest student or intern pursuing studies or duties;

(f) Any natural person employed by an entity merged or consolidated with you prior to the effective date of this insurance; and

(g) Any natural person who is your "manager", director or trustee while:

(i) Performing acts within the scope of the usual duties of an "employee"; or

(ii) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.

(2) Does not mean:

Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph **g.(1)**.

h. "Financial institution" means:

(1) With regard to **1. Insuring Agreements, c. Inside The Premises – Theft Of Money And Securities**:

(a) A bank, savings bank, savings and loan association, trust company, credit union or similar depository institution;

(b) An insurance company;

(c) A stock brokerage firm or investment company.

(2) With regard to **1. Insuring Agreements, e. Computer And Funds Transfer Fraud**:

(a) A bank, savings bank, savings and loan association, trust company, credit union or similar depository institution;

(b) An insurance company;

(c) A stock brokerage firm or investment company.

(3) Other than **1. Insuring Agreements, c. Inside The Premises – Theft of Money And Securities** and **e. Computer And Funds Transfer Fraud**, any "financial institution."

i. "Financial institution premises" means the interior of that portion of any building occupied by a "financial institution" as defined in **4. Definitions h. (1)**.

j. "Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

k. "Fraudulent instruction" means:

(1) With regard to **1. Insuring Agreements, e. Computer And Funds Transfer Fraud (1)(b)**:

(3) Under all other Insuring Agreements:

- (a)** An individual act or event;
- (b)** The combined total of all separate acts or events whether or not related; or
- (c)** A series of acts or events whether or not related:

committed by a person acting alone or in collusion with other persons, or not committed by any person, during the Policy Period shown in the Declarations, except as provided under Condition 3. **Conditions, a. Conditions Applicable to All Insuring Agreements, (10) Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate or (11) Loss sustained During Prior Insurance Not Issued By Us Or Any Affiliate.**

- q. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other Property" does not include "computer programs", "electronic data" or any property specifically excluded under this insurance.
- r. "Premises" means the interior of that portion of any building you occupy in conducting your business.
- s. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:
 - (1)** Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - (2)** Evidence of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".
- t. "Theft" means the unlawful taking of property to the deprivation of the insured.
- u. "Transfer account" means an account maintained by you at a "financial institution" from which you can initiate the transfer, payment or delivery of "money" or "securities":
 - (1)** By means of computer, tele facsimile, telephone or other electronic instructions; or
 - (2)** By means of written instructions (other than those covered under **1. Insurance Agreements, b. Forgery Or Alteration**) establishing the conditions under which such transfers are to be initiated by such "financial institution" through an electronic funds transfer system.
- v. "Watchperson" means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.

EQUIPMENT BREAKDOWN COVERAGE SCHEDULE

CP CW DS0005 0417
POLICY #: 5000059403

Equipment Breakdown is subject to the Limits of Insurance shown in the Declarations except as specifically shown below.

These coverages apply to all locations covered on the policy, unless otherwise specified.

Coverages	Limits
Equipment Breakdown Limit	\$200,000
Business Income	\$350,000
Extra Expense	\$0
Data Restoration	\$50,000
Expediting Expenses	\$50,000
Hazardous Substances	\$50,000
Off Premises Equipment Breakdown	\$25,000
Public Relations	\$5,000
Service Interruption	Included
Spoilage	\$50,000

Deductibles	
Combined, All Coverages	Property Deductible
Direct Coverages	
Indirect Coverages	
	or hrs
	or times ADV
Spoilage	

The Spoilage Limit is replaced at the following specified location(s):

Premise Number	Building Number	Spoilage Limit

The Deductible is replaced at the following specified location(s)

Premise Number:	Building Number:
Deductibles	
Combined, All Coverages	
Direct Coverages	
Indirect Coverages	
	or hrs
	or times ADV
Spoilage	

- (a) A computer, tele facsimile, telephone or other electronic instruction directing a "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that "transfer account", which instruction purports to have been issued by you, but which in fact was fraudulently issued by someone else without your knowledge or consent; or
- (b) A written instruction (other than those covered under Insuring Agreements 1.b.) issued to a "financial institution" directing the "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that "transfer account". Through an electronic funds transfer system at specified times or under specified conditions, which instruction purports to have been issued by you, but which in fact was issued, forged or altered by someone else without your knowledge or consent.

(2) With regard to 1. Insuring Agreements, e. Computer And Funds Transfer Fraud (2);

A computer, tele facsimile, telephone or other electronic, written or voice instruction directing an "employee" to enter or change "electronic data" or "computer programs" within a "computer system" covered under the Insuring Agreements, which instruction in fact was fraudulently issued by your computer software contractor.

- l. "Manager" means a person serving in a directorial capacity for a limited liability company.
- m. "Member" means an owner of a limited liability company represented by its membership interest who, if a natural person, may also serve as a "manager".
- n. "Messenger" means you, or your relative, or any of your partners or "members", or any "employee" while having care and custody of property outside the "premises".
- o. "Money" means:
 - (1) Currency, coins and bank notes in current use and having a face value;
 - (2) Traveler's checks and money orders held for sale to the public; and
 - (3) In addition, includes:
 - (a) Under Insuring Agreements 1.a. and 1.b. deposits in your account at any "financial institution"; and
 - (b) Under Insuring Agreements 1.e., deposits in your account at a "financial institution" as defined in 4. Definitions h. (2).

p. "Occurrence" means

(1) Under 1. Insuring Agreements, a. Employee Theft:

- (a) An individual act;
- (b) The combined total of all separate acts whether or not related; or
- (c) A series of acts whether or not related;

committed by an "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, except as provide under 3. Conditions, a. Conditions Applicable to All Insuring Agreements, (10) Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate or (11) Loss sustained During Prior Insurance Not Issued By Us Or Any Affiliate.

(2) Under Insuring Agreement 1.b.:

- (a) An individual act;
- (b) The combined total of all separate acts whether or not related; or
- (c) A series of acts whether or not related;

committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the Policy Period shown in the Declarations, except as provided under 3. Conditions, a. Conditions Applicable to All Insuring Agreements, (10) Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate or (11) Loss sustained During Prior Insurance Not Issued By Us Or Any Affiliate.

EQUIPMENT BREAKDOWN COVERAGE (Including Electronic Circuitry Impairment)

CP CW MG0003 0417

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
EQUIPMENT – IMPLEMENT DEALERS STOCK FLOATER FORM
GOLF CART DEALERS STOCK FLOATER FORM
CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM

- A. The following is added as an Additional Coverage to the Causes of Loss— Basic Form, Broad Form, Special Form, Equipment – Implement Dealers Stock Floater Form or Golf Cart Dealers Stock Floater Form.

Additional Coverage— Equipment Breakdown

The term Covered Cause of Loss includes the **Additional Coverage Equipment Breakdown** as described and limited below. Without an “accident” or “electronic circuitry impairment”, there is no Equipment Breakdown Coverage.

1. We will pay for direct physical damage to Covered Property that is the direct result of an “accident” or “electronic circuitry impairment”. We will consider “electronic circuitry impairment” to be physical damage to “covered equipment”.
2. Unless otherwise shown in a “schedule”, the following coverages also apply to the direct result of an “accident” or “electronic circuitry impairment”. However, with respect to coverage **2.h. Service Interruption** below and any Dependent Properties coverage provided by this coverage part, coverage will apply only to the direct result of an “accident” and will not apply to the direct result of an “electronic circuitry impairment”.

These coverages do not provide additional amounts of insurance.

a. Business Income and Extra Expense

- (1) Any insurance provided under the coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. However, if a deductible is shown in a “schedule”, then with respect to this endorsement only, the “period of restoration” will begin immediately after the “accident” or “electronic circuitry impairment”, and the deductible shown in the “schedule” will apply.
- (2) The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense, unless otherwise shown in a “schedule”.

b. Data Restoration

- (1) We will pay for your reasonable and necessary cost to research, replace and restore lost “data”.
- (2) The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$50,000 unless otherwise shown in a “schedule”.

c. Expediting Expenses

- (1) With respect to your damaged Covered Property, we will pay the reasonable extra cost to:
 - (a) Make temporary repairs; and

(b) Expedite permanent repairs or permanent replacement.

(2) The most we will pay for loss or expense under this coverage is \$50,000 unless otherwise shown in a "schedule".

d. Hazardous Substances

(1) We will pay your additional cost to repair or replace Covered Property because of contamination by a "hazardous substance". This includes the additional expenses to clean up or dispose of such property.

(2) This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in **2.i.(1)(b)** below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.

(3) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$50,000 unless otherwise shown in a "schedule".

e. Off Premises Equipment Breakdown

(1) We will pay for physical damage to transportable "covered equipment" that, at the time of the "accident" or "electronic circuitry impairment", is not at a covered location. As respects this Off Premises Equipment Breakdown coverage only, the "accident" or "electronic circuitry impairment" may occur in any country within the Coverage Territory.

(2) We will also pay for your reasonable and necessary cost to research, replace and restore lost "data" contained within "covered equipment" as described under (1) above. This amount may not exceed the limit applicable to Data Restoration coverage.

(3) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, and Data Restoration as described in (2) above is \$25,000 unless otherwise shown in a "schedule".

f. Public Relations

(1) This coverage only applies if you have sustained an actual loss of Business Income covered under this endorsement.

(2) We will pay for your reasonable costs for professional services to create and disseminate communications, when the need for such communications arises directly from the interruption of your business. This communication must be directed to one or more of the following:

- (a) The media;
- (b) The public; or
- (c) Your customers, clients or members.

(3) Such costs must be incurred during the "period of restoration" or up to 30 days after the "period of restoration" has ended.

(4) The most we will pay for loss or expense under this coverage is \$5,000.

g. Resultant Damage to Animals

(1) Any insurance provided under the coverage part for "animals" is extended to the coverage provided by this endorsement.

(2) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$25,000.

- (2) If the Causes of Loss – Special Form applies, with respect to this endorsement only, the last paragraph of **Exclusion B.2.d.** is deleted and replaced with the following:

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in an “accident” or “electronic circuitry impairment”, we will pay for the loss, damage or expense caused by that “accident” or “electronic circuitry impairment”.

- (3) If the Equipment – Implement Dealers Stock Floater Form applies, with respects to this endorsement only, **Exclusion B.2.d.** is deleted and replaced with the following: Wear and tear, decay or gradual deterioration, rotting, chemicals, insects including termites, vermin and rodents, inherent vice and latent defect. However, if an “accident” or “electronic circuitry impairment” results, we will pay for the resulting loss, damage or expense caused by that “accident” or “electronic circuitry impairment”.
- (4) If the Golf Cart Dealers Stock Floater Form applies, with respect to this endorsement only, Exclusion E. 9. Is deleted and replaced with the following: Loss caused by or resulting from wear and tear, depreciation or gradual deterioration; rotting; chemicals; insects, including termites; vermin and rodents; inherent vice; latent defect. However, if an “accident” or “electronic circuitry impairment” results, we will pay for the resulting loss, damage or expense caused by that “accident” or “electronic circuitry impairment”.

b. The following exclusions are added:

- (1) We will not pay for loss, damage or expense caused directly or indirectly by any of the following, whether or not caused by or resulting from an “accident” or “electronic circuitry impairment”:
- (a) Fire, including smoke from a fire;
 - (b) Explosion of gas or unconsumed fuel within the furnace of any boiler or fired vessel or within the passages from that furnace to the atmosphere;
 - (c) Any other explosion, except as specifically covered under this endorsement;
 - (d) Any earth movement, including but not limited to earthquake, subsidence, sinkhole collapse, landslide, earth sinking, tsunami or volcanic action;
 - (e) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; mudslide or mudflow; or water that backs up or overflows from a sewer, drain or sump. However, if electrical “covered equipment” requires drying out because of the above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies; or
 - (f) Vandalism.
- (2) Coverage under this endorsement does not apply to an “accident” or “electronic circuitry impairment” caused by or resulting from:
- (a) Lightning;
 - (b) Windstorm or hail. However this exclusion does not apply when:
 - i. “Covered equipment” located within a building or structure suffers an “accident” or “electronic circuitry impairment” that results from wind-blown rain, snow, sand or dust; and
 - ii. The building or structure did not first sustain wind or hail damage to its roof or walls through which the rain, snow, sand or dust entered.
 - (c) Smoke; aircraft or vehicles; riot or civil commotion; sprinkler leakage; elevator collision;
 - (d) Breakage of glass; falling objects; weight of snow, ice or sleet; freezing (caused by cold weather); collapse or molten material;
 - (e) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or

h. Service Interruption

- (1) Any insurance provided for Business Income, Extra Expense, Data Restoration or Spoilage is extended to apply to your loss, damage or expense caused by a failure or disruption of service. The failure or disruption of service must be caused by an "accident" to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, Internet access, telecommunications services, "cloud computing services", wide area networks or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.
- (2) "Cloud computing services" must be provided by a professional provider with whom you have a contract.
- (3) With respect to the Data Restoration portion of this Service Interruption coverage, coverage will also apply to "data" stored in the equipment of a provider of "cloud computing services".
- (4) Unless otherwise shown in a "schedule", Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the "accident". If the interruption exceeds 24 hours, coverage will begin at the time of the interruption, and the applicable deductible will apply.
- (5) The most we will pay in any "one equipment breakdown" for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense, Data Restoration or Spoilage, except that if a limit is shown in a "schedule" for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

i. Spoilage

- (1) We will pay for:
 - (a) Physical damage to "perishable goods" due to spoilage;
 - (b) Physical damage to "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia;
 - (c) Any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
- (2) If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "accident" or "electronic circuitry impairment", less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.
- (3) The most we will pay for loss, damage or expense under this coverage is \$50,000 unless otherwise shown in a "schedule".

3. EXCLUSIONS

All exclusions in the applicable Causes of Loss form, Equipment – Implement Dealers Stock Floater Form or Golf Cart Dealers Stock Floater Form apply except as modified below and to the extent that coverage is specifically provided by this endorsement.

a. The following exclusions are modified:

- (1) If the Causes of Loss – Basic Form or Causes of Loss – Broad Form applies, the following is added to **Exclusion B.2.:**

Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. However, if an "accident" or "electronic circuitry impairment" results, we will pay for the resulting loss, damage or expense caused by that "accident" or "electronic circuitry impairment".

- (f) Water or other means used to extinguish a fire.
- (5) With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for any increase in loss resulting from an agreement between you and your customer or supplier.
- (6) We will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "accident" or "electronic circuitry impairment": Any "fungus", wet rot, dry rot or bacteria, including any presence, growth, proliferation, spread or any activity of "fungus", wet rot, dry rot or bacteria. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such "fungus", wet rot, dry rot or bacteria. However, this exclusion does not apply to spoilage of personal property that is "perishable goods", to the extent that such spoilage is covered under Spoilage coverage.
- (7) Except as specifically provided under **A.2.b.**, Data Restoration, or **A.2.g.**, Resultant Damage to Animals, we will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "accident" or "electronic circuitry impairment":
 - (a) Physical loss or damage to "animals";
 - (b) Loss, interruption or compromise of any research, test or study involving "animals"; or
 - (c) Loss of income or extra expense resulting from (a) or (b) above.
- c. Exclusions **b.(2)(a)**, **b.(2)(b)**, **b.(2)(c)** and **b.(2)(d)** above shall not apply if.
 - (1) The excluded cause of loss occurs away from any covered location and causes an electrical surge or other electrical disturbance;
 - (2) Such surge or disturbance is transmitted through utility service transmission lines to the covered location and results in an "accident" or "electronic circuitry impairment"; and
 - (3) The loss, damage or expense caused by such surge or disturbance is not covered elsewhere under the policy.
- d. Any cause of loss set forth in **Exclusion b.(2)(d)** above that is not a Covered Cause of Loss in this coverage part shall be excluded only as respects Service Interruption coverage.

4. DEFINITIONS

The following definitions are added with respect to this endorsement only:

a. "Accident"

- (1) "Accident" means a fortuitous event that causes direct physical damage to "covered equipment". The event must be one of the following:
 - (a) Mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - (b) Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
 - (c) Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
 - (d) Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
 - (e) Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
- (2) None of the following is an "accident":
 - (a) Defect, programming error, programming limitation, computer virus, malicious code, loss of "data", loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind; or

- (b)** Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

However, if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident".

- b.** "Animal" means any creature of the kingdom Animalia. This includes, but is not limited to, amphibians, birds, fish, insects, mammals, reptiles, and worms.

- c.** "Boilers and vessels" means:

- (1)** Any boiler, including attached steam, condensate and feedwater piping; and
- (2)** Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in a "schedule".

- d.** "Cloud computing services" means professional, on-demand, self-service data storage or data processing services provided through the Internet or over telecommunications lines. This includes services known as IaaS (infrastructure as a service), PaaS (platform as a service), SaaS (software as a service) and NaaS (network as a service). This includes business models known as public clouds, community clouds and hybrid clouds. "Cloud computing services" include private clouds if such services are owned and operated by a third party.

- e.** "Covered equipment"

- (1)** "Covered equipment" means, unless otherwise specified in a "schedule", Covered Property:

- (a)** That generates, transmits or utilizes energy; or
- (b)** Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

"Covered equipment" may utilize conventional design and technology or new or newly commercialized design and technology.

- (2)** None of the following is "covered equipment":

- (a)** Structure, foundation, cabinet or compartment;
- (b)** Insulating or refractory material;
- (c)** Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
- (d)** Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (e)** "Vehicle" or any equipment mounted on a "vehicle";
- (f)** Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
- (g)** Dragline, excavation or construction equipment; or
- (h)** Equipment manufactured by you for sale.

- f.** "Data" means information or instructions stored in digital code capable of being processed by machinery.

- g.** "Electronic circuitry" means microelectronic components, including but not limited to circuit boards, integrated circuits, computer chips and disk drives.

- h.** "Electronic circuitry impairment"

- (1)** "Electronic circuitry impairment" means a fortuitous event involving "electronic circuitry" within "covered equipment" that causes the "covered equipment" to suddenly lose its ability to function as it had been functioning immediately before such event. This definition is subject to the conditions specified in **(2)**, **(3)** and **(4)** below.

- (2) We shall determine that the reasonable and appropriate remedy to restore such "covered equipment's" ability to function is the replacement of one or more "electronic circuitry" components of the "covered equipment".
- (3) The "covered equipment" must be owned or leased by you, or operated under your control.
- (4) None of the following is an "electronic circuitry impairment":
 - (a) Any condition that can be reasonably remedied by:
 - i. Normal maintenance, including but not limited to replacing expendable parts, recharging batteries or cleaning;
 - ii. Rebooting, reloading or updating software or firmware; or
 - iii. Providing necessary power or supply.
 - (b) Any condition caused by or related to:
 - i. Incompatibility of the "covered equipment" with any software or equipment installed, introduced or networked within the prior 30 days; or
 - ii. Insufficient size, capability or capacity of the "covered equipment".
 - (c) Exposure to adverse environmental conditions, including but not limited to change in temperature or humidity, unless such conditions result in an observable loss of functionality. Loss of warranty shall not be considered an observable loss of functionality.

- i. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
- j. "Media" means material on which "data" is recorded, such as solid state drives, hard disks, optical disks, flash drives, magnetic tapes or floppy disks.
- k. "One equipment breakdown" means: If an initial "accident" or "electronic circuitry impairment" causes other "accidents" or "electronic circuitry impairments", all will be considered "one equipment breakdown". All "accidents" or "electronic circuitry impairments" that are the result of the same "accident" or "electronic circuitry impairment" will be considered "one equipment breakdown".
- l. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
- m. "Production machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus. However, "production machinery" does not mean any boiler, or fired or unfired pressure vessel.

This term does not appear elsewhere in this endorsement, but may appear in a "schedule".

- n. "Schedule" means the Equipment Breakdown Coverage Schedule.
- o. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to: car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle".

B. The Building and Personal Property Coverage Form, Condominium Association Coverage Form, Condominium Commercial Unit-Owners Coverage Form, Equipment – Implement Dealers Stock Floater Form and Golf Cart Dealers Stock Floater are modified as follows.

The definitions stated above also apply to section **B.** of this endorsement.

1. DEDUCTIBLE

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in a "schedule". If a separate Equipment Breakdown deductible is shown, the following applies.

Only as regards Equipment Breakdown Coverage, provision **D. Deductible** is deleted and replaced with the following:

a. Deductibles for Each Coverage

- (1) Unless the "schedule" indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one equipment breakdown".
- (2) We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the "schedule". We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- (3) If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one equipment breakdown", only the highest deductible for each coverage will apply.

b. Direct and Indirect Coverages

- (1) Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the "schedule".
- (2) Unless more specifically indicated in the "schedule":
 - (a) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
 - (b) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

c. Application of Deductibles

(1) Dollar Deductibles

We will not pay for loss, damage or expense resulting from any "one equipment breakdown" until the amount of loss, damage or expense exceeds the applicable deductible shown in the "schedule". We will then pay the amount of loss, damage or expense in excess of the applicable deductible or deductibles, up to the applicable Limit of Insurance.

(2) Time Deductible

If a time deductible is shown in the "schedule", we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident" or "electronic circuitry impairment". If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

(3) Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" or "electronic circuitry impairment" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or "electronic circuitry impairment" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend

beyond the "period of restoration". The number indicated in the "schedule" will be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

(4) Percentage of Loss Deductibles

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

2. CONDITIONS

- a. The following conditions are in addition to the Conditions in the Building and Personal Property Coverage Form, Condominium Association Coverage Form, Condominium Commercial Unit-Owners Coverage Form, Equipment – Implement Dealers Stock Floater Form, the Commercial Property Conditions and the Common Policy Conditions and the Provisions in the Golf Cart Dealers Stock Floater Form.

(1) Suspension

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" or "electronic circuitry impairment" to that "covered equipment". This can be done by mailing or delivering a written notice of suspension to:

- (a) Your last known address; or
- (b) The address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment". If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

(2) Jurisdictional Inspections

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

(3) Coinsurance

If a coinsurance percentage is shown in a "schedule" for specified coverages, the following condition applies.

We will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, we will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. We will then subtract the applicable deductible. The resulting amount, or the applicable limit, is the most we will pay. We will not pay for the remainder of the loss. Coinsurance applies separately to each insured location.

- b. As respects this endorsement only, the Valuation Condition in the Building and Personal Property Coverage Form, Condominium Association Coverage Form and Condominium Commercial Unit-Owners Coverage Form, the Valuation Condition, Replacement Cost Provision in the Equipment – Implement Dealers Stock Floater Form or the Valuation Provision in the Golf Cart Dealers Stock Floater are deleted and replaced with the following:

Valuation

We will determine the value of Covered Property as follows:

- (1) Except as specified otherwise, our payment for damaged Covered Property will be the smallest of:

- (a) The cost to repair the damaged property;
 - (b) The cost to replace the damaged property on the same site; or
 - (c) The amount you actually spend that is necessary to repair or replace the damaged property.
- (2) The amount of our payment will be based on the most cost-effective means to replace the function, capacity and remaining useful life of the damaged property. This may include the use of generic, used or reconditioned parts, equipment or property.
- (3) Except as described in (4) below, you must pay the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.
- (4) Environmental, Safety and Efficiency Improvements

If "covered equipment" requires replacement due to an "accident" or "electronic circuitry impairment", we will pay your additional cost to replace with equipment that is better for the environment, safer for people or more energy or water efficient than the equipment being replaced. However, we will not pay to increase the size or capacity of the equipment and we will not pay more than 150% of what the cost would have been to replace with like kind and quality. This provision does not apply to the replacement of component parts or to any property to which Actual Cash Value applies and does not increase any of the applicable limits.

- (5) The following property will be valued on an Actual Cash Value basis:
- (a) Any property that does not currently serve a useful or necessary function for you;
 - (b) Any Covered Property that you do not repair or replace within 24 months after the date of the "accident" or "electronic circuitry impairment"; and
 - (c) Any Covered Property for which Actual Cash Value coverage is specified in a "schedule",

Actual Cash Value includes deductions for depreciation.

- (6) If any one of the following conditions is met, property held for sale by you will be valued at the sales price as if no loss or damage had occurred, less any discounts and expenses that otherwise would have applied:
- (a) The property was manufactured by you;
 - (b) The sales price of the property is less than the replacement cost of the property; or
 - (c) You are unable to replace the property before its anticipated sale.
- (7) Except as specifically provided for under Data Restoration coverage, "data" and "media" will be valued on the following basis:
- (a) For mass-produced and commercially available software, at the replacement cost.
 - (b) For all other "data" and "media", at the cost of blank "media" for reproducing the records. We will not pay for "data" representing financial records based on the face value of such records.

The most we will pay for loss, damage or expense under this endorsement arising from any "one equipment breakdown" is the applicable Limit of Insurance in the Declarations unless otherwise shown in a "schedule". Coverage provided under this endorsement does not provide an additional amount of insurance.

COMMERCIAL GENERAL LIABILITY DECLARATIONS

Policy Number: 5000059403	New Business
Named Insured and Mailing Address: The Cocorico Corp dba Round Corner Cantina 3720 BUTLER ST PITTSBURGH, PA 15201-1837	Producer Name and Address: KMRD Partners Inc 2600 Kelly Rd Ste 120 Warrington, PA 18976-3652 Telephone: (267) 482-8390
Policy Period	
From: 10/31/2019	
To: 10/31/2020 12:01 AM at your mailing address shown above.	

In return for the payment of the premium, and subject to all the terms and conditions of this Policy, we agree with you to provide the insurance as stated in this Policy.

Limits of Insurance		
Each Occurrence Limit	\$ 1,000,000	
Damage To Premises		
Rented To You Limit	\$ 100,000	Any one premises
Medical Expense Limit	\$ 5,000	Any one person
Personal & Advertising Injury Limit	\$ 1,000,000	Any one person or organization
General Aggregate Limit		\$ 2,000,000
Products/Completed Operations Aggregate Limit		\$ 2,000,000

Description of Business
Form of Business: CORPORATION
Business Description: Upscale Mexican Restaurant

All Premises You Own, Rent Or Occupy
See Schedule of Premises

Classification And Premium							
Loc. No.	Classification	Code No.	Premium Base	Rate		Advance Premium*	
				Prem/ Ops	Prod/Comp Ops	Prem/ Ops	Prod/Comp Ops
1	Restaurant-w/ alcohol>=0.75of annual receipts-w/table-w/out dancefloor-table srvc	16930	1,500,000 Gross Sales				
Total Coverage Part Premium (Subject to Audit)						\$	_____
State Tax Or Other (if applicable)						\$	_____
Total Premium (Subject to Audit)						\$	_____
*Does not include endorsement premium and other adjustments							

Endorsements Attached to this Policy:

See Schedule of Forms and Endorsements

THESE DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS AND COVERAGE FORM(S) AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE NUMBERED POLICY.

Countersignature Of Authorized Representative	
Name:	
Title:	
Signature:	
Date:	

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – COVERAGES

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
 - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or
 - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
 - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
- (b) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;

- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

q. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:
- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.
- No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.
- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

p. Recording And Distribution Of Material Or Information In Violation Of Law

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

COVERAGE C – MEDICAL PAYMENTS

1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
- (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;
- provided that:
- (a) The accident takes place in the "coverage territory" and during the policy period;
 - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
 - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
- (1) First aid administered at the time of an accident;
 - (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

- a. **Any Insured**
To any insured, except "volunteer workers".
- b. **Hired Person**
To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. **Injury On Normally Occupied Premises**
To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
 - a. All expenses we incur.
 - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
 - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
 - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- 2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "suit"; and
 - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II – WHO IS AN INSURED

- 1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
 - (1) "Bodily injury" or "personal and advertising injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
 - (d) Arising out of his or her providing or failing to provide professional health care services.
 - (2) "Property damage" to property:
 - (a) Owned, occupied or used by;
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;
you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

- c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C;
 - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage B.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph c. below.

b. Excess Insurance

(1) This insurance is excess over:

(a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

(iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I – Coverage A – Bodily Injury And Property Damage Liability.

(b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

(2) When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

a. The statements in the Declarations are accurate and complete;

- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your "advertisement"; or
 - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ACCESS OR DISCLOSURE OF
CONFIDENTIAL OR PERSONAL INFORMATION AND
DATA-RELATED LIABILITY – WITH
LIMITED BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion 2.p. of Section I – Coverage A – Bodily Injury And Property Damage Liability is replaced by the following:

2. Exclusions

This insurance does not apply to:

p. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

B. The following is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Information

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – INTERCOMPANY PRODUCTS SUITS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

This insurance does not apply to any claim for damages by any Named Insured against another Named Insured because of "bodily injury" or "property damage" arising out of "your products" and included within the "products-completed operations hazard."

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTION EXCLUSION WITH A HOSTILE FIRE EXCEPTION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion f. under Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

This insurance does not apply to:

f. Pollution

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

This exclusion does not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated:

- (a) At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or

- (b) At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, "pollutants".

- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

B. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

- a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

C. The following definition is added to the Definitions Section:

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM PUNITIVE DAMAGES

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

B. The following definition is added:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED NUCLEAR, BIOLOGICAL, CHEMICAL OR RADIOLOGICAL ACTS OF TERRORISM; CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism". However, this exclusion applies only when one or more of the following are attributed to such act:

1. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
2. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
3. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

B. The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.

2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

- a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

D. If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – EXTERIOR INSULATION AND FINISH SYSTEMS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of, caused by, or attributable to, whether in whole or in part, the following:
1. The design, manufacture, construction, fabrication, preparation, distribution and sale, installation, application, maintenance or repair, including remodeling, service, correction or replacement, of any "exterior insulation and finish system" or any part thereof, or any substantially similar system or any part thereof, including the application or use of conditioners, primers, accessories, flashings, coatings, caulking or sealants in connection with such a system; or
 2. "Your product" or "your work" with respect to any exterior component, fixture or feature of any structure if an "exterior insulation and finish system", or any substantially similar system, is used on the part of that structure containing that component, fixture or feature.
- B.** The following definition is added to the **Definitions** Section:
- "Exterior insulation and finish system" means a non-load bearing exterior cladding or finish system, and all component parts therein, used on any part of any structure, and consisting of:
1. A rigid or semi-rigid insulation board made of expanded polystyrene and other materials;
 2. The adhesive and/or mechanical fasteners used to attach the insulation board to the substrate;
 3. A reinforced or unreinforced base coat;
 4. A finish coat providing surface texture to which color may be added; and
 5. Any flashing, caulking or sealant used with the system for any purpose.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SILICA OR SILICA-RELATED DUST EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:

2. Exclusions

This insurance does not apply to:

Silica Or Silica-Related Dust

- a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
- b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to:

Silica Or Silica-Related Dust

- a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
 - b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.
- C. The following definitions are added to the Definitions Section:**
1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
 2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRODUCTS/COMPLETED OPERATIONS HAZARD REDEFINED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Description of Premises and Operations:

Restaurant-w/alcohol>=0.75of annual receipts-w/table-w/out dancefloor-table srvc

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to "bodily injury" or "property damage" arising out of "your products" manufactured, sold, handled or distributed:

1. On, from or in connection with the use of any premises described in the Schedule, or
2. In connection with the conduct of any operation described in the Schedule, when conducted by you or on your behalf,

Paragraph a. of the definition of "Products-completed operations hazard" in the DEFINITIONS Section is replaced by the following:

"Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" that arises out of "your products" if the "bodily injury" or "property damage" occurs after you have relinquished possession of those products.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE FORM

The deductible shown on the Declarations Page applies unless otherwise shown in this endorsement.

Coverage Summary – Please refer to the applicable Coverage Section for Full Terms and Conditions
Non-Owned Watercraft
Fire, Lightning, Explosion, Smoke, Sprinkler Leakage Damage To Premises Rented To You
Amendment – Aggregate Limits Of Insurance – Per Location
Incidental Medical Malpractice
Supplementary Payments
Fellow Employee Coverage
Newly Acquired Or Formed Organizations
Additional Insured – Building Owner
Additional Insured – Lessor Of Leased Equipment - Automatic Status by Contract Or Agreement
Additional Insured – Managers Or Lessors Of Premises
Mobile Equipment Redefined
Liberalization

A. Non-Owned Watercraft

For the purposes of this endorsement, **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions, g. Aircraft, Auto Or Watercraft (2)(a)** is deleted and replaced by the following:

g. Aircraft, Auto, Or Watercraft

This exclusion does not apply to:

- (a) Less than 51 feet long; and

B. Fire, Lightning, Explosion, Smoke, Sprinkler Leakage Damage To Premises Rented To You

1. For the purposes of this endorsement, **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, the last paragraph of **2. Exclusions** is deleted and replaced by the following:

Exclusions **c.** through **n.** do not apply to damage by fire, lightning, explosion, smoke or sprinkler leakage from an automatic fire protection system to premises while rented to you or temporarily occupied by you with permission of the owner. A separate Limit Of Insurance applies to this coverage as described in **SECTION III – LIMITS OF INSURANCE.**

2. For the purposes of this endorsement, **SECTION III – LIMITS OF INSURANCE**, paragraph 6. is deleted and replaced by the following:
 6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under **Coverage A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning, explosion, smoke or sprinkler leakage from an automatic fire protection system, while rented to you or temporarily occupied by you with permission of the owner.
3. For the purposes of this endorsement, **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, 4. **Other Insurance**, paragraph b. **Excess Insurance (1)(a)(ii)** is deleted and replaced by the following:
 - (1) This insurance is in excess over:
 - (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (ii) That is fire, lightning, explosion, sprinkler leakage from an automatic fire protection system insurance for premises rented to you or temporarily occupied by you with permission of the owner.
4. For the purposes of this endorsement, **SECTION V – DEFINITIONS**, paragraph 9.a. is deleted and replaced by the following:
 9. "Insured contract" means:
 - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, explosion, smoke or sprinkler leakage from an automatic fire protection system to premises while rented to you or temporarily occupied by you with the permission of the owner is not an "insured contract";

C. Amendment – Aggregate Limits Of Insurance Per Location

For all sums which the insured becomes legally obligated to pay as damages caused by "occurrence" under **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, and for all medical expenses caused by accidents under **SECTION I – COVERAGES, COVERAGE C – MEDICAL PAYMENTS**:

1. The General Aggregate Limit under **SECTION III – LIMITS OF INSURANCE** applies separately to each of your "locations" owned by or rented to you.
2. The Per Location General Aggregate Limit is the most we will pay for the sum of all damages under **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under **SECTION I – COVERAGES, COVERAGE C – MEDICAL PAYMENTS** regardless of the number of:
 - a. Insureds;
 - b. "Claims" made or "suits" brought; or
 - c. Persons or organizations making "claims" or bringing "suits".
3. Any payments made under **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY** for damages or under **SECTION I – COVERAGES, COVERAGE C – MEDICAL PAYMENTS** for medical expenses shall reduce the Per Location General Aggregate Limit for that location. Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Per Location General Aggregate Limit for any other location.

The limits shown in the Declarations for Each Occurrence, Damage To Premises Rented To You and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the Per Location General Aggregate Limit.

D. Incidental Medical Malpractice Liability Coverage

For the purposes of this endorsement, the following is added to **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, 2. **Exclusions**:

This insurance does not apply to any "insured":

1. Providing or failing to provide any medical or related professional health care services;
2. Furnishing food or drink connected with any medical or other professional health care services;
3. Furnishing or dispensing drugs or medical, dental or surgical supplies or appliances.

However, this exclusion only applies if the "insured" is in the business or occupation of providing these services.

E. Supplementary Payments

For the purposes of this endorsement, **SECTION 1 – COVERAGES, SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**, paragraph 1.b. is deleted and replaced by the following:

We will pay with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- b. Up to \$1,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

F. Fellow Employee Coverage

For the purposes of this endorsement, **SECTION II – WHO IS AN INSURED**, subparagraph 2.a.(1) does not apply to "bodily injury" or "personal injury" to a co-employee while in the course of his or her employment.

G. Newly Acquired Or Formed Organizations

For the purposes of this endorsement, **SECTION II – WHO IS AN INSURED**, paragraph 3.a. is deleted and replaced by the following:

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier.

H. Additional Insured – Building Owner

1. For the purposes of this endorsement, **SECTION II – WHO IS AN INSURED** is amended to include as an additional insured the owner of any building leased, rented or loaned to you that is a shareholder in your corporation or a partner in your partnership insured under this policy but only with respects to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf, in connection with your ownership, maintenance or use of that part of the premises leased to you.
2. With respect to the insurance afforded to these additional insureds, this insurance does not apply to
 - a. Any "occurrence" or offense that takes place after you cease to be a tenant in the premises; or
 - b. Structural alterations, new construction or demolition operations performed by or on behalf of the building owner.

I. Additional Insured – Lessor Of Leased Equipment – Automatic Status When Required In Lease Agreement With You

1. For the purposes of this endorsement, **SECTION II – WHO IS AN INSURED** is amended to include as an additional insured any person(s) or organization(s) from whom you lease equipment when you and such person(s) or organization(s) have agreed in writing in a contract or agreement that such person(s) or organization(s) be added as an additional insured on your policy. Such person(s) or organization(s) is an insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

However, the insurance afforded to such additional insured:

- a. Only applies to the extent permitted by law; and
- b. Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

A person's or organization's status as an additional insured under this endorsement ends when their contract or agreement with you for such leased equipment ends.

2. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.
3. With respect to the insurance afforded to these additional insureds, the following is added to **SECTION III – LIMITS OF INSURANCE:**

The most we will pay on behalf of the additional insured is the amount of insurance:

- a. Required by the contract or agreement you have entered into with the additional insured; or
 - b. Available under the applicable Limits Of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits Of Insurance shown in the Declarations.

J. Additional Insured – Managers Or Lessors Of Premises

1. For the purposes of this endorsement, **SECTION II – WHO IS AN INSURED** is amended to include as an additional insured the person(s) or organization(s) when you and such person(s) or organization(s) have agreed in writing in a contract or agreement, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you.

2. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- a. Any "occurrence" which takes place after you cease to be a tenant in that premises.
- b. Structural alterations, new construction or demolition operations performed by or on behalf of the person(s) or organization(s).

However:

- a. The insurance afforded to such additional insured only applies to the extent permitted by law; and
 - b. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required to provide for such additional insured.
3. With respect to the insurance afforded to these additional insureds, the following is added to **SECTION III – LIMITS OF INSURANCE:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- a. Required by the contract or agreement; or
 - b. Available under the applicable Limits Of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits Of Insurance shown in the Declarations.

K. Mobile Equipment Redefined

SECTION V – DEFINITIONS is amended as follows:

Paragraphs **12.f.(1)(a), (b) and (c)** do not apply to self-propelled vehicles of less than 1,000 pounds gross vehicle weight.

L. Liberalization

If we adopt a change in our forms or rules that would broaden the coverage of this policy without extra charge, the broader coverage will apply to this policy. It will apply when the change becomes effective in your state.

All other terms and conditions remain unchanged.



Member of Motorists Insurance Group

P.O. Box 182028, Columbus, Ohio 43218-2028

motoristsinsurance.com

05/06/2020

THE COCORICO CORP DBA ROUND CORNER CANTINA
3720 BUTLER ST
PITTSBURGH, PA 15201-1837

RE: Our Insured: The Cocorico Corp dba Round Corner Cantina
Our Claim No: 500-00-010709
Date of Loss: 04/27/2020
Policy number: 5000059403
Effective dates: 10/31/2019 - 10/31/2020

Dear The Cocorico Corp dba Round Corner Cantina:

This letter is in reference to the above captioned claim and in follow up to our conversations of April 28, 2020. Your claim is for loss of business income after the closure of your business due to a statewide mandate during the COVID-19 pandemic. You have sought coverage under your Commercial Property Policy due to costs incurred for this event.

At the time of this loss, you were insured with Motorists Insurance under a Commercial Property Policy. I would now like to draw your attention to the policy's various forms and endorsements. According to the Building and Personal Property Coverage Form, CP 00 10 10 12, page 1 of 16:

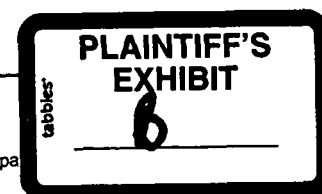
A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Causes of Loss.

The Business Income (and Extra Expense) Coverage Form, CP 00 30 10 12, sets forth under **A. Coverage, 1. Business Income**, at Page 1 of 9:

We will pay for the actual loss of Business Income you sustain due to the necessary ?suspension? of your ?operations? during the ?period of restoration?. The ?suspension? must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations.

Under **A. Coverage, 2. Extra Expense**, it is stated:



- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.
- b. Extra Expense means necessary expenses you incur during the ?period of restoration? that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

The Business Income (and Extra Expense) Coverage Form, CP 0030 (10/12), under **5. Additional Coverages, a. Civil Authority**, provides at Page 2 of 9:

In this Additional Coverage, Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from damage or continuation of the Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

According to the **Causes of Loss ? Special Form**, CP 10 30 09 17, page 1 of 10:

A. Covered Causes of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

We will pay for the loss or damage caused by that Covered Cause of Loss.

* * *

- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

Under Exclusions, the **Causes of Loss ? Special Form** states at Pages 3 and 4 of 10:

2. We will not pay for loss or damage caused by or resulting from any of the following:

* * *

- b. Delay, loss of use or loss of market.

* * *

You Know Us.

3. We will not pay for loss or damage caused by or resulting from any of the following, 3.[b.] ?. But if an excluded cause of loss that is listed in 3.[b.] ? results in a Covered Cause of Loss, we

The MiChoice Property Protector endorsement, CP CW CP0003 0517, adds **Business Income and Extra Expense Coverage** at page 4 of 32. It provides that:

1) Business Income

We will pay for the actual loss of Business Income you sustain due to the necessary ?suspension? of your ?operations? during the ?period of restoration?. The ?suspension? must be caused by direct physical loss of or damage by a Covered Cause of Loss to covered property at the premises described in the Declarations, including personal property in the open (or within a vehicle) within 1,000 feet of the described premises.

2) Extra Expense

Extra Expense means necessary expenses you incur during the ?period of restoration? that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from the **Causes of loss ? Special form**.

Your policy is endorsed with the **Exclusion of Loss Due to Virus or Bacteria**, CP 01 40 07 06. Page 1 of 1 of this endorsement states in pertinent part:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

A. The exclusion set forth in Paragraph B. applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.

B. We will not pay for loss or damage caused by or resulting from virus, bacterium or other micro-organism that includes or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from ?fungus,? wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.

C. With respect to any loss or damage subject to the exclusion in Paragraph B., such exclusion supersedes any exclusion relating to ?pollutants.?

D. The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:

You Know Us.

1. Exclusion of ?Fungus,? Wet Rot, Dry Rot and Bacteria; and

2. Additional Coverage ? Limited Coverage for ?Fungus,? Wet Rot, Dry Rot and Bacteria, including any endorsement increasing the scope or amount of coverage.

E. The terms of the exclusion in Paragraph B., or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

Here there was no alleged direct physical loss of or damage to Covered Property. There was no alleged denial of access to premises described in the Declarations because of damaged other property. There is no alleged direct physical loss of or damage to Covered Property or other caused by or resulting from any Covered Cause of Loss.

Any act or decision, or failure to act or decide, causing or resulting in the statewide mandate is not a Covered Cause of Loss, and did not result in a Covered Cause of Loss. Loss or damage caused by or resulting from delay, loss of use or loss of market, acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body, or any virus is specifically excluded.

For all the above reasons, we must deny your claim for alleged losses caused by or resulting from the COVID-19 pandemic. By naming the above specific grounds for this declination of coverage, Motorists Insurance does not waive any of its rights under any of the other conditions, terms or exclusions contained within the policy. Motorists Insurance hereby specifically reserves any and all of its rights and defenses under the policy as well as under the statutes and common law of the state.

If you are aware of any facts or theories which, in your opinion, are relevant to a duty to indemnify under the Motorists Insurance policy, we would welcome your thoughts and give serious consideration to any information you may provide. Should you develop any information whatsoever which you believe bears in any way upon our coverage decision in this case, please bring it to our attention immediately.

Sincerely,

Kimberly Stephenson
Property Specialist
Primary Phone: (614) 225-8657
Email: claims@motoristsinsurance.com


CC: KMRD Partners Inc

You Know Us.

CERTIFICATE OF COMPLIANCE

I certify that this filing complies with the provisions of the *Case Records Public Access Policy of the Unified Judicial System of Pennsylvania* that require filing confidential information and documents differently than non-confidential information and documents.

Submitted by: John P. Goodrich

Signature: 

Name: John P. Goodrich

Attorney No. (if applicable): 49648

Supreme Court of Pennsylvania

Court of Common Pleas

Civil Cover Sheet

Allegheny

County



For Prothonotary Use Only:

Docket No:

GD 2 6548

TIME STAMP

The information collected on this form is used solely for court administration purposes. This form does not supplement or replace the filing and service of pleadings or other papers as required by law or rules of court.

SECTION A	Commencement of Action: <input checked="" type="checkbox"/> Complaint <input type="checkbox"/> Writ of Summons <input type="checkbox"/> Petition <input type="checkbox"/> Transfer from Another Jurisdiction <input type="checkbox"/> Declaration of Taking	
	Lead Plaintiff's Name: The Cocorico Corp.	Lead Defendant's Name: Motorists Commercial Mutual Insurance Company
	Are money damages requested? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Dollar Amount Requested: <input type="checkbox"/> within arbitration limits (check one) <input checked="" type="checkbox"/> outside arbitration limits
	Is this a <i>Class Action Suit</i> ? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Is this an <i>MDJ Appeal</i> ? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	Name of Plaintiff/Appellant's Attorney: <u>John P. Goodrich, Esq.</u> <input type="checkbox"/> Check here if you have no attorney (are a Self-Represented [Pro Se] Litigant)	

SECTION B	Nature of the Case: Place an "X" to the left of the <u>ONE</u> case category that most accurately describes your PRIMARY CASE . If you are making more than one type of claim, check the one that you consider most important.		
	TORT (<i>do not include Mass Tort</i>) <input type="checkbox"/> Intentional <input type="checkbox"/> Malicious Prosecution <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Nuisance <input type="checkbox"/> Premises Liability <input type="checkbox"/> Product Liability (<i>does not include mass tort</i>) <input type="checkbox"/> Slander/Libel/ Defamation <input type="checkbox"/> Other: _____ _____	CONTRACT (<i>do not include Judgments</i>) <input type="checkbox"/> Buyer Plaintiff <input type="checkbox"/> Debt Collection: Credit Card <input type="checkbox"/> Debt Collection: Other _____ _____ <input type="checkbox"/> Employment Dispute: Discrimination <input type="checkbox"/> Employment Dispute: Other _____ _____ <input type="checkbox"/> Other: _____ _____	CIVIL APPEALS Administrative Agencies <input type="checkbox"/> Board of Assessment <input type="checkbox"/> Board of Elections <input type="checkbox"/> Dept. of Transportation <input type="checkbox"/> Statutory Appeal: Other _____ _____ <input type="checkbox"/> Zoning Board <input type="checkbox"/> Other: _____ _____
	MASS TORT <input type="checkbox"/> Asbestos <input type="checkbox"/> Tobacco <input type="checkbox"/> Toxic Tort - DES <input type="checkbox"/> Toxic Tort - Implant <input type="checkbox"/> Toxic Waste <input type="checkbox"/> Other: _____ _____	REAL PROPERTY <input type="checkbox"/> Ejectment <input type="checkbox"/> Eminent Domain/Condemnation <input type="checkbox"/> Ground Rent <input type="checkbox"/> Landlord/Tenant Dispute <input type="checkbox"/> Mortgage Foreclosure: Residential <input type="checkbox"/> Mortgage Foreclosure: Commercial <input type="checkbox"/> Partition <input type="checkbox"/> Quiet Title <input type="checkbox"/> Other: _____ _____	MISCELLANEOUS <input type="checkbox"/> Common Law/Statutory Arbitration <input checked="" type="checkbox"/> Declaratory Judgment <input type="checkbox"/> Mandamus <input type="checkbox"/> Non-Domestic Relations Restraining Order <input type="checkbox"/> Quo Warranto <input type="checkbox"/> Replevin <input type="checkbox"/> Other: _____ _____
	PROFESSIONAL LIABILITY <input type="checkbox"/> Dental <input type="checkbox"/> Legal <input type="checkbox"/> Medical <input type="checkbox"/> Other Professional: _____ _____		